FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-94-015
Monday
24 January 1994

Daily Report
East Asia

FBIS-EAS-94-015 CONTENTS *24 January 1994*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Conference on Bosnia Held in Kuala Lumpur 1
  Bosnian President Arrives 21 Jan *[BERNAMA]* 1
  Mahathir Speaks at Conference 22 Jan *[BERNAMA]* 1
  Bosnian President Speaks 22 Jan *[BERNAMA]* 2
  Mahathir, Izetbegovic Hold Talks *[BERNAMA]* 2
  Conference Calls for New Peace Talks *[Kuala Lumpur Radio]* 3
  Bosnian President on Peace Talks *[BERNAMA]* 3

NORTHEAST ASIA

Japan

Reportage on U.S. Treasury Secretary's Visit 4
  Fujii Briefs Bentsen on 'Turmoil' *[KYODO]* 4
  Official on Fujii-Bentsen Talks *[KYODO]* 4
  Hosokawa Meets With Bentsen *[KYODO]* 4
  Hata, Saito on Bentsen Remarks *[KYODO]* 5
Government: U.S. Investment Talks 'Preliminary' *[KYODO]* 6
Showdown With U.S. Seen on 'Objective Criteria' *[KYODO]* 6
Officials Avoid Trade Targets Showdown in Talks *[KYODO]* 6
Takemura: Hosokawa To Visit U.S. as Scheduled *[KYODO]* 7
Hata: Room Exists To Avoid Rice Tariffication *[KYODO]* 7
Russian Allegation of Fishing Violations Noted *[KYODO]* 8
Hata: Russian Aid Policy Remains Unchanged *[KYODO]* 8
More Reaction to Political Reform Bill Rejection 9
  U.S. Reaction to 'Setback' Noted *[KYODO]* 9
  Hosokawa Vows To Carry Out Reform *[KYODO]* 9
  SDPJ Opposes Reviving Bills *[KYODO]* 10
  SDPJ, LDP Leaders on Positions *[Tokyo TV]* 10
  Dietmen Discuss Reform Issues *[Tokyo TV]* 11
  Hata Said Optimistic About Bills *[KYODO]* 13
  SDPJ 'Ready' To Hold Summit *[KYODO]* 13
  Political Reform 'Key' to Economy *[KYODO]* 13
  Two Houses' Joint Council Planned *[KYODO]* 14
  Hosokawa Comments Further *[KYODO]* 14
  LDP Agrees To Setting Up Panel *[KYODO]* 15
  Coalition Plans To Seek Compromise *[KYODO]* 15
  Editorials Comment on Defeat *[KYODO]* 15
Former Komeito Member Questioned on Recruit *[KYODO]* 16
Takemura: Work To Continue on Economy, Reform *[KYODO]* 16
Saito Sees Stimulus Package by 11 Feb Summit *[KYODO]* 17
Kumano Supports Presummit Economic Package *[KYODO]* 17
Pump-Priming Package Announcement 'Delayed' *[KYODO]* 17
BOJ Chief To Keep Current Policy 'Intact' *[KYODO]* 17
Hosokawa Says Stock Prices To Rise Again *[KYODO]* 18
Government To 'Wait and See' on Stocks Tumble *[KYODO]* 18

North Korea

- Pressure by U.S. 'Conservative Forces' Denounced *[KCNA]* 18
- Pomminnyon Vows To Reunify Country in 90's *[KCNA]* 19
- Daily Praises Work of Overseas Pomminnyon *[KCNA]* 20
- MINJU CHOSON Denounces Arrest of Student *[KCNA]* 20
- Memorial Held in Pyongyang for ROK's Mun Ik-hwan *[KCNA]* 20
- VNS Report on Kim Il-song Hailed in South *[KCNA]* 21
- KCNA Reacts to ROK Defense Ministry Report 22
- South Daily Cited on 'Violation of Human Rights' *[KCNA]* 22
- South Radio Cited on Student Protest of U.S. *[KCNA]* 22
- South's Handling of Water Pollution Issue Derided *[KCNA]* 22
- South Koreans Reportedly Praise Kim Chong-il *[KCNA]* 23
- Foreign Leaders Greet Kim Il-song on New Year *[KCNA]* 23
- Foreign Party Leaders Greet Kim Chong-il *[KCNA]* 23
  - Further Messages From Party Leaders *[KCNA]* 24
- Kim Il-song, Chong-il Receive Foreign Greetings *[KCNA]* 24
- Foreign Press Reports Kim Il-song's 1994 Address *[KCNA]* 24
  - Other Media Report Address *[KCNA]* 25
- Iranian Foreign Ministry Delegation Arrives *[Pyongyang Radio]* 25
- Chongnyon Official Leaves Pyongyang on 15 Jan *[KCNA]* 25
- Cuban Official Sends Solidarity Message *[KCNA]* 25
- Cuban Lawyer Departs for Home 13 Jan *[Pyongyang Radio]* 25
- Country Made Member of UNESCO Asian Bureau *[KCNA]* 25
- WPK Greets British Communist Party Leader *[KCNA]* 26
- Premier Sends Condolences to Norway's Brundtland *[KCNA]* 26
- Indonesia's House, DPRK's SPA Form Ties *[KCNA]* 26
- Indian Paper Urges Settling 'Comfort Women' Issue *[KCNA]* 26
- Guinea, Indian Officials Support 'Just Cause' *[KCNA]* 26
- Angolan President Receives DPRK Ambassador *[KCNA]* 26
- Legislative President of Cote d'Ivoire Greeted *[KCNA]* 27
- Peruvian Party Said To Support Socialist Cause *[KCNA]* 27
- Film Show Opens To Commemorate Palestine Revolution *[KCNA]* 27
- Kim Chong-il's Economic Guidance Lauded *[Pyongyang Radio]* 27
- Soldiers Praise Kim Chong-il in Writings *[KCNA]* 29
- Daily Calls 1994 'Year of Revolutionary Advance' *[KCNA]* 29
- Daily Calls For Solidarity of 'Popular Masses' *[KCNA]* 30
- 'Talk' Lauds Might of Single-Hearted Unity *[Pyongyang Radio]* 30
- Workers Vow To Step Up 'March of Socialism' *[KCNA]* 32
- KCNA Describes Countries' 'Communist Morality' 32
- Buddhists Hold Masses for National Reunification *[KCNA]* 33
- Electric Power Complexes Increase Production *[KCNA]* 33
- Final Damming Project on Tideland Completed *[KCNA]* 34
- Cement Production Said Constantly Increasing *[KCNA]* 34
- Achievements in Railway Transport Reported *[KCNA]* 34
- KCNA Reports Achievements in Economic Sectors 34

South Korea

- Seoul, Washington Coordinate Nuclear Stance *[YONHAP]* 35
- U.S. Asked To Muster PRC Aid on Nuclear Issue *[YONHAP]* 35
- U.S. Asks for Cattle, Beef Market Opening *[CHOSON ILBO 20 Jan]* 35
- Renegotiation With U.S. on Uruguay Round Urged *[THE KOREA TIMES 20 Jan]* 35
- U.S. Evangelist To Visit North To Build Church *[YONHAP]* 36
- IAEA, DPRK Said To Agree on Limited Inspection *[CHOSON ILBO 22 Jan]* 36
  - Agreement on Principle of Inspection *[YONHAP]* 37
- Spokesman on DPRK Remarks on IAEA Negotiations *[SEOUL SINMUN 22 Jan]* 37
- Blix: IAEA To Reject 'Meaningless Inspection' *[YONHAP]* 37
- North Korea, IAEA Hold Fifth Contact in Vienna *[YONHAP]* 38
- DPRK, IAEA, U.S. Negotiations Reviewed *[YONHAP]* 38
- ROK Scientist Appointed to IAEA Advisory Group *[YONHAP]* 39

- DPRK Reportedly Hiding Nuclear Bombs Underground *[CHOSON ILBO 22 Jan]* 39
- Paper Reports DPRK Activities in Macao *[THE KOREA HERALD 20 Jan]* 39
- Yi Ki-taek To Talk With ROK on Visiting DPRK *[YONHAP]* 40
- DP Leader To Seek Permission for DPRK Visit in Feb *[YONHAP]* 40
- Businessmen To Visit if North Allows Inspections *[MAEIL KYONGJE SINMUN 19 Jan]* 41
- Yi Ki-taek Reiterates Firm Will To Visit North *[CHOSON ILBO 19 Jan]* 41
- Promotion of DPRK Tourism If Nuclear Issue Ends *[YONHAP]* 41
- Government, Military View Unconventional War *[THE KOREA TIMES 22 Jan]* 42
- Moscow Contracts To Sell Submarines to DPRK *[THE KOREA HERALD 22 Jan]* 42
- ROK, Russia To Discuss Joint Arms Development *[CHUNGANG ILBO 24 Jan]* 43
- ROK, Japan, Russia To Probe Nuclear Dumping *[YONHAP]* 43
- Ambassador to Russia Home for Policy Consultation *[YONHAP]* 43
- Russian Vessel Held for Failure To Pay Repairs *[YONHAP]* 43
- Moscow Technical University President Visits *[YONHAP]* 43
- Chief of Taiwan Mission Arrives in Seoul *[YONHAP]* 43
- ROK, Taiwan Tourist Exchange 'To Regain Vigor' *[YONHAP]* 44
- Bank of China To Open Branch in Seoul 19 Jan *[YONHAP]* 44
- Opposition Party Leader Postpones PRC Trip *[YONHAP]* 44
- ROK-PRC To Sign Aviation Agreement in Beijing *[YONHAP]* 44
- Iran's Deputy Foreign Minister Holds Visa Talks *[THE KOREA TIMES 20 Jan]* 45
- President Kim Receives Spanish Foreign Minister *[YONHAP]* 45
    - Further Meetings for Spanish Minister *[Madrid International]* 45
- President's 'Close Aide' Returns From London *[YONHAP]* 45
- PKO Unit's Functions in Somalia Under Review *[YONHAP]* 45
- Ministry Adds Brunei as Natural Gas Supplier *[YONHAP]* 46
- 1994 Grants to Developing Nations Announced *[THE KOREA HERALD 19 Jan]* 46
- Former Prime Minister Dies of Cancer 17 Jan *[YONHAP]* 46
    - Public Funeral Scheduled *[YONHAP]* 47
- President Urges Businesses To Revitalize Economy *[YONHAP]* 47
- President Receives Reports From Economic Agencies *[YONHAP]* 47
- President To Reduce Frequency of Interviews *[YONHAP]* 48
- Government To Enforce Financial Retrenchment Policy *[YONHAP]* 48
- Government To Keep 'No Work, No Wage' Policy *[YONHAP]* 48
- POSCO Labor, Management Settle on Wage Increase *[YONHAP]* 49
- Government May Grant Rights to Illegal Aliens *[YONHAP]* 49
- Government To Revive Labor Day To Ease Relations *[YONHAP]* 49
- Ministry Studies Pensions for Farmers, Fishermen *[YONHAP]* 49
- Opposition Leader Supports Realignment Proposal *[YONHAP]* 50
- Hanhwa Chairman Receives Suspended Sentence *[YONHAP]* 50
- 'No Possibility' of Easing Restrictions on Hyundai *[YONHAP]* 50
- BAI To Probe Plan To Build High-Speed Rail *[YONHAP]* 51
- Selling Short Ban Lifted To 'Cool' Stock Market *[YONHAP]* 51
- Revised Passport Bill 'Killed' at National Assembly *[YONHAP]* 51
- Quality of Pusan Water Restored to 'Normalcy' *[YONHAP]* 52
- Per Capita Income Growth World's Greatest *[YONHAP]* 52
- Foreign Currency Loans Extended to More Firms *[THE KOREA HERALD 21 Jan]* 53
- Major Corporations Set Export Goals for 1994 *[YONHAP]* 53
- Firms To Bid for Mobile Phone Network Project *[YONHAP]* 53
- Sunkyong Group Surrenders Cellular Phone Project *[YONHAP]* 54
- Cable TV Firms To Submit Proposal To Ministry *[YONHAP]* 54
- Institute on Competitiveness in Shipbuilding *[YONHAP]* 55

SOUTHEAST ASIA

Burma

- Khun Sa Said To Want 'Heroin-Free' Shan State *[THAI RAT 23 Jan]* 56
    - Comments on Wish for Foreign Aid *[PHUCHATKAN 23 Jan]* 56
- Guards at Aung San Suu Kyi's Home Withdrawn *[AFP]* 57
    - Further on Removal of Guards *[AFP]* 57
    - Officials Deny Suu Kyi To Be Released *[THE NATION 23 Jan]* 57

Minister Cited on Truce Ceremony With Kachins *[THE NATION 23 Jan]* 58
KNU on Terms for Peace Talks With SLORC *[BANGKOK POST 22 Jan]* 59
  KNU To Include Rights in Talks *[London International]* 59
Dissident Groups Disagree Over Reported Detentions *[AFP]* 60
Threat of Fines Causes Big Turnout at Rallies *[THE SUNDAY POST 23 Jan]* 60
Four ABSDF Members Reportedly Surrender 5 Jan *[Radio Burma]* 60

Cambodia

Ranariddh, Hun Sen Return From PRC 21 Jan *[AKP]* 61
KR Leader Says Ranariddh Accepts King's Plan *[Radio VGNUFC]* 61
Sihanouk Message on Health, Other Issues *[Phnom Penh Radio]* 62
Austrian Foreign Ministry Delegation Arrives *[AKP]* 62
  Ministers Meet Visiting Austrian *[Phnom Penh Radio]* 63

Philippines

Communist Guerrillas Claim Murder Responsibility *[PHILIPPINE DAILY INQUIRER 19 Jan]* . 63
'Suspected' Communists Burn Passenger Bus *[PHILIPPINE DAILY INQUIRER 19 Jan]* 64
MILF Members Killed in Battle With MNLF *[MALAYA 20 Jan]* 64

Thailand

Official on Burmese Government-Rebel Pact *[BANGKOK POST 24 Jan]* 64
Chuan: Khun Sa Proposal Not Thai Business *[SIAM POST 24 Jan]* 65
Government Troops Seize South Separatist Camp *[THE SUNDAY POST 23 Jan]* 65

Vietnam

Ministry Reasserts Sovereignty Over Spratlys *[Hanoi Radio]* 65
Reports on National Party Conference Continue 65
  More of Political Report, Part One *[Hanoi Radio]* 65
  Do Muoi Political Report, Part Two *[Hanoi Radio]* 68
  Continuation of Part Two *[Hanoi Radio]* 70
  Delegates Discuss Do Muoi Report *[VNA]* 72
  Report on 22 Jan Session *[Hanoi Radio]* 72
  Report on 23 Jan Proceedings *[Hanoi Radio]* 73
  'Sharp Debate' Reported *[AFP]* 73

AUSTRALASIA

Australia

Acting Foreign Minister Notes Secret DPRK Talks *[KYODO]* 75
  'Conditions' for Ties Outlined *[Melbourne International]* 75
  Officials Confirm DPRK Approach *[Melbourne International]* 75
Industry Minister Resigns Pending Police Inquiry *[Melbourne International]* 76
Government Provides Emergency Aid to Kenya *[Melbourne International]* 76

Fiji

Parliament Dismissed; Elections Slated 18-25 Feb *[AFP]* 76

Conference on Bosnia Held in Kuala Lumpur

Bosnian President Arrives 21 Jan

BK2201101694 Kuala Lumpur BERNAMA in English 0353 GMT 22 Jan 94

[Text] Kuala Lumpur, Jan 22 (OANA-BERNAMA)—President Alija Izetbegovic arrived here Friday with a 12-member delegation for a four-day working visit.

On hand to receive the Bosnian leeder at the Kuala Lumpur International Airport were Foreign Minister Abdullah Ahmad Badawi, Law Minister Syed Hamid Albar, who is the minister-in-attendance, chairman of the Malaysia Parliamentary Committee on Bosnia-Herzegovina (MPC-BH) Dominic Puthucheary, and other officials.

President Alija, whose delegation includes Foreign Minister Dr. Irfan Ljubijankic, is scheduled to address the international conference of parliamentarians on Bosnia-Herzegovina and meet Prime Minister Dr. Mahathir Mohamed for talks.

Arriving from Geneva, President Alija became the first state visitor to receive the quarter-guard salute from a team of eight Royal Malay Regiment on arrival at the airport.

A Wisma Putra (Foreign Ministry) official said the ceremony was conducted upon recommendation by Dr. Mahathir, who picked the idea during his recent visit to Europe.

During his four-day visit, President Alija would also be meeting the Bosnian community here and having a dialogue with ambassadors from members of the Organisation of International Conference countries.

President Alija will also have an audience with the Yang Dipertuan Agung (King) Sultan Azlan Shah on Monday.

Mahathir Speaks at Conference 22 Jan

BK2201104794 Kuala Lumpur BERNAMA in English 0549 GMT 22 Jan 94

[Text] Kuala Lumpur, Jan. 22 (OANA-BERNAMA)—The United Nations Security Council must be prepared to use force, if necessary, to make the aggressors in Bosnia-Herzegovina comply with certain critical requirements, Dr. Mahathir Mohamed said Saturday.

Among the critical requirements were the lifting of the siege of Sarajevo by silencing or removing the Serbian heavy artillery surrounding the city and the opening of Tuzla Airport to enable food, medicine, and other essentials to reach major surrounding towns, the prime minister added.

All concerned parties must be made to permit, by force if necessary, the unhindered flow of humanitarian assistance, he told an international conference of parliamentarians on Bosnia- Herzegovina here.

These actions are necessary especially to save innocent lives during the harsh winter, he said in a keynote address to about 180 parliamentarians from more than 30 countries attending the two-day conference.

Also here for the conference was Bosnian President Alija Izetbegovic.

Dr. Mahathir said Sarajevo remained under siege to this day, surrounded by Serbian guns capable of delivering 800 rounds of shells each day, although, for the fifth time, Western nations had threatened to launch air-strikes against the Serbs.

And for the fifth time, the Serbs have thumbed their noses at these so-called righteous great powers. Of course, no air-strike is mounted, he added. He said the Serbs knew that the bark of these defenders of human rights was worse then their bite. And so they will go on raping and murdering, fully convinced that they will not only go unpunished but they will be actually rewarded, he added. This was because the so-called civilised world was not prepared to stop the Serbs although it was horrified, he said.

Dr. Mahathir said the Americans were blaming the British and the French for preventing the use of air strikes against the Serbs. He added, however, some very highly placed British and French sources told him that it was the United States which was against the military action. [Word indistinct] frankly do not know whom to believe, he said, adding that he suspected neither the Americans nor the Europeans cared enough to act as they did not wish to risk the lives of their soldiers for something that was not really very important for their own well-being.

Dr. Mahathir said it was obvious that no one really approved of what the Serbs were doing. But, the Western governments remain obdurate, refusing to see anything wrong in their blatant disregard for the wholesale violation of every item of human rights by the Serbs in Bosnia-Herzegovina, he added.

As such, Dr. Mahathir said, it was now up to the parliamentarians to help shock their people and governments out of their self-imposed stupor.

They should request their respective governments to place the issue of Bosnia-Herzegovina high on their country's international agenda and call for the resumption of meaningful talks aimed at a lasting and just settlement, he added.

Assert your rights as members of the United Nations to insist that the Security Council act decisively to end the sufferings of the Bosnian people and bring back peace to that country, he said.

To do this, they should firstly exert pressure on the UN Security Council to implement the various resolutions on Bosnia-Herzegovina which the council had passed.

The second thing you should do is to urge the Security Council to take a hard look at the Geneva process and since there is wide agreement that the Geneva talks cannot go on as before, seize the opportunity to convene a new international conference on Bosnia-Herzegovina, he added.

Bosnian President Speaks 22 Jan

BK2201105194 Kuala Lumpur BERNAMA in English 0746 GMT 22 Jan 94

[Text] Kuala Lumpur, Jan. 22 (OANA-BERNAMA)—Bosnian President Alija Izetbegovic Saturday called on the international community to implement the more than 30 resolutions adopted by the United Nations to end Serb atrocities against Bosnians in the former Yugoslav republic. He said so far only one resolution—the arms embargo against Bosnia-Herzegovina—had been enforced.

This resolution is against the interest of Bosnians as they are unable to defend themselves from the Serb atrocities, he told the international conference of parliamentarians on Bosnia-Herzegovina here.

The two-day conference attended by about 180 parliamentarians from more than 30 countries was opened by Malaysian Prime Minister Dr. Mahathir Mohamed.

Referring to Article 51 of the UN Charter which says that an independent state under atteck had every right to defend itself, Izetbegovic called on the UN to lift the embargo.

He said his people were not seeking an ideological state of any kind but only wanted to preserve a democratic secular state.

He dismissed the misconception that the war in Bosnia-Herzegovina was either a civil war or religious war.

It is actually genocide... It's the war against every religion, he said.

Izetbegovic said the war could not be stopped through appeals or resolutions. The aggressors don't understand this type of logic. We have to confront force with force, he added.

After the failure of the recent peace negotiations in Geneva, we (the Bosnian Muslims) have been accused of rejecting calls for peace in Bosnia-Herzegovina. We don't reject peace, he said.

He added that the division of Bosnia-Herzegovina into three mini-ethnic states was meant to confine Bosnian Muslims and deprive them of access to the sea.

Izetbegovic said children and adults, young and old, were being murdered and driven from their homes, while the women faced constant rape in bosnia where concentration camps just like those during World War II have reemerged.

He expressed appreciation to Dr. Mahathir and the Malaysian people for their continued support to seek and ensure justice and fairness for the Bosnians.

He said Malaysia's multicultural and multireligious population was similar to that of his country.

Malaysia has proven that there can be tolerance in such a society, he added.

Izetbegovic hoped the conference would pave the way for an international campaign against Serb atrocities in Bosnia-Herzegovina.

Mahathir, Izetbegovic Hold Talks

BK2201124294 Kuala Lumpur BERNAMA in English 1006 GMT 22 Jan 94

[Text] Kuala Lumpur, Jan. 22 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed has assured Bosnia-Herzegovina that Malaysia will continue to help its suffering people, Foreign Minister Abdullah Ahmad Badawi said Saturday.

Briefing reporters on the talks between Dr. Mahathir and visiting Bosnia-Herzegovina President Alija Izetbegovic, Abdullah said discussions at ministerial and senior official level between the two countries would be held to work out details of the aid.

Izetbegovic, who is on a four-day visit to Malaysia, and Dr. Mahathir met alone before being joined by their respective delegations for another meeting which lasted more than an hour.

The president also delivered a keynote address at the influential conference of parliamentarians on Bosnia, which began here Saturday.

The Malaysian delegation to the meeting included senior officials from the Prime Minister's Department, the Foreign Ministry, the Defence Ministry, and the National Unity and Social Development Ministry.

Abdullah said the discussions between the two delegations had resulted in a very clear understanding of the problems facing Bosnia-Herzegovina.

He said apart from strengthening cooperation between the two governments, the meeting had also enabled Malaysia to understand Bosnia's stand in declining the offer made at the latest peace talks in Geneva.

We understand their position and will continue to support them at international conferences, Abdullah said.

He said Bosnia regretted very much the West's accusation that they were the obstacle to peace in the Balkans for refusing the offer made by the West.

How will they accept the offer when land seized from them is given to the Serb and Croatian invaders and also when they have no access to the sea. It tantamounts to surrender, Abdullah said.

Conference Calls for New Peace Talks

BK2301144694 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 23 Jan 94

[Text] The international conference of parliamentarians on Bosnia-Herzegovina ended in Kuala Lumpur today with a call for the convening of a new international conference to replace the Geneva peace talks. All parliamentarians from 33 countries who attended the two-day conference vowed to wage a campaign for a new conference.

A resolution issued at the end of the conference today called on all countries to support an initiative to lift the ban on arms exports to Bosnia-Herzegovina. The parliamentarians also voiced their reservations against the Bosnia peace negotiators, who had acted against the UN Charter and the London Conference. They also called on the United Nations to take immediate action to save Sarajevo and other cities from Serbian destruction.

Bosnian President on Peace Talks

BK2401072494 Kuala Lumpur BERNAMA in English 0707 GMT 24 Jan 94

[Text] Kuala Lumpur, Jan. 24 (OANA-BERNAMA)—Malaysia's proposal to convene a new international conference to solve the conflict in Bosnia-Herzegovina has received the support of Bosnian President Alija Izetbegovic.

Izetbegovic said: We believe that convening a new international conference on Bosnia-Herzegovina on a larger basis and including a larger number of participants would be useful, especially if it will reaffirm the principles passed at the London (peace) conference last year.

It was obvious that the last round of talks convened in Geneva a few days ago had exhausted all possibilities, he told a press conference here Monday to mark the end of his four-day working visit to Malaysia.

Earlier, Izetbegovic held a four-eyed meeting with Deputy Prime Minister Datuk Sri Anwar Ibrahim. The meeting lasted for an hour.

The idea to convene the new peace conference was mooted by Prime Minister Dr. Mahathir Mohamed in his address when opening the two-day international conference of parliamentarians on Bosnia-Herzegovina on Saturday.

The 10 parliamentarians from more than 30 countries, who attended the international conference of parliamentarians on Bosnia-Herzegovina, also called for fresh peace initiatives, including the convening of a new international conference, citing the non-accountability of the present mediators in the on-going peace negotiations to the United Nations.

Asked if the other two warring factions—Serbs and Croats—would agree to such a conference, Izetbegovic said: I cannot be sure about the attitude of the other sides.

He reiterated, however, that the conflict and violence in the former Yugoslav republic could not be solved through resolutions and appeals.

There is no case in history in which any violence and force was stopped by resolutions or an appeal no matter how good the resolution was, he said through his daughter, Sabina, who acted as interpreter.

Izetbegovic said he would attend the next round of peace talks in Geneva scheduled for Feb. 10.

Japan

Reportage on U.S. Treasury Secretary's Visit

Fujii Briefs Bentsen on 'Turmoil'

OW2301061194 Tokyo KYODO in English 0537 GMT 23 Jan 94

[Text] Tokyo, Jan. 23 KYODO—Finance Minister Hirohisa Fujii opened a meeting with U.S. Treasury Secretary Lloyd Bentsen on Sunday [23 January] with an explanation of Japan's current political turmoil. The meeting, which began at 2 P.M., is to be followed by a meeting of Bentsen and Prime Minister Morihiro Hosokawa at the premier's official residence at 4 P.M.

Greeting Bentsen at his office in the presence of reporters, the finance minister said he recognized that the defeat of the government's political reform bills "has caused you concern" and said he would explain the matter. The rejection of the bills Friday in the House of Councillors is expected to complicate Hosokawa's efforts to introduce economic stimulus measures in time for a February 11 summit between Hosokawa and President Bill Clinton in Washington.

Bentsen stopped over in Tokyo on Saturday night on his way home from a tour of Russia and Asia. His talks with Hosokawa and Fujii are expected to focus on efforts to reach an agreement in bilateral trade talks in time for the summit.

Official on Fujii-Bentsen Talks

OW2301083594 Tokyo KYODO in English 0823 GMT 23 Jan 94

[Text] Tokyo, Jan. 23 KYODO—Finance Minister Hirohisa Fujii faced stronger pressure Sunday [23 January] over the ongoing "framework" trade talks than other issues from U.S. Treasury Secretary Lloyd Bentsen, a senior Finance Ministry official said. Bentsen "seemed to be placing heavy weight on the framework talks," said Takatoshi Kato, director of the ministry's international finance bureau, briefing reporters after a one-hour meeting between Fujii and Bentsen.

But, Kato stressed that "no specific requests" were made by Bentsen, including any reference to "numerical targets," and the two sides just "confirmed commitments for further progress" to make the February 11 Japan-U.S. summit in Washington "successful."

Fujii, speaking to reporters as he left the meeting, said he and Bentsen agreed to try to conclude bilateral talks in time.

On Japan's economy, Fujii said he told Bentsen that Japan is trying to take steps to boost the economy, despite the turmoil in the wake of the upper house's rejection Friday of the government-proposed political reform bills. "Please trust us," he said to Bentsen.

The two leaders did not discuss specifics of planned Japanese economic-stimulus measures, such as a much-discussed income tax cut, Fujii noted of the meeting, also attended by Ambassador Walter Mondale and Lawrence Summers, Treasury undersecretary for international affairs.

Bentsen and Summers declined comment as they left. Bentsen said he will comment at a news conference after he meets Prime Minister Morihiro Hosokawa at 4 P.M.

Fujii vowed "serious and vigorous efforts" to launch a new stimulus package including tax cuts, and explained that a joint economic forum of the government and coalition parties will continue discussing tax issues to come up with an "acceptable decision," Kato said.

Bentsen expressed "hopes on contributions to spur domestic demand," Kato said.

On the upper house's failure to pass the political reform bills, Fujii sought support for Japan placing priority on the measures by explaining the latest surveys showed public support for reform and that Japan intends to focus on reviving the bills for passage over the next week before the current Diet session closes on Saturday, Kato said.

Referring to reported possible postponement of the Hosokawa-Clinton talks, Kato stressed that the financial leaders based their talks on the February 11 summit as scheduled.

Fujii and Bentsen also reconfirmed their cooperation for a "successful" meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) forum slated for March 18 and 19 in Hawaii, Kato said, noting they did not discuss specifics.

The two leaders also agreed on further support toward Russia and its reform, he said. No new support measures were discussed, but Bentsen voiced concern over the recent cabinet reshuffle there, Kato said.

Bentsen stopped over in Tokyo on his way back home from Russian and Asian tours and had requested the meetings with Fujii and Hosokawa.

The meetings came during a crucial time for the Japanese Government which failed to pass the political reform bills through the upper house and attention is fixed on what Japan will offer to the U.S.

Hosokawa Meets With Bentsen

OW2301120794 Tokyo KYODO in English 1154 GMT 23 Jan 94

[Text] Tokyo, Jan. 23 KYODO—Prime Minister Morihiro Hosokawa responded to high-level U.S. trade pressure Sunday [23 January] by hinting he may override bureaucrats to secure a breakthrough in bilateral talks. U.S. Treasury Secretary Lloyd Bentsen turned up the heat in a visit to Tokyo, vowing that the United States may "reexamine" the stalled bilateral trade "framework" talks if no agreement is reached before a Japan-U.S. summit on February 11 in Washington.

Hosokawa told Bentsen that "if the time comes for a political decision, I hope to apply leadership, making efforts to improve" the outcome of the talks, according to a Japanese official who attended the half-hour talks at the prime minister's official residence.

Bentsen told reporters that Washington "will not settle for any cosmetic agreement" on trade and that "if we do not have credible agreements by the time of the summit, we would have to reexamine the basis of the framework."

"We would far prefer no agreements to weak agreements," he said. Bentsen said his remarks were not meant as a threat but were "just the logical consequence," reflecting "the realities of the situation."

Hosokawa told Bentsen he hopes for "satisfactory results" to the talks, noting subcabinet-level meetings begin this coming week to discuss the matter "more deeply," according to Takatoshi Kato, head of the Finance Ministry's international finance bureau.

Both sides remain far apart in the talks, which seek to expand access to the Japanese market in such areas as insurance, government procurement and automobiles and auto parts.

Japan blasts as "managed trade" U.S. efforts to set standards such as market shares to mark progress. But U.S. officials have accused Japanese negotiators of foot-dragging and called for political leaders to go over the bureaucrats' heads.

Bentsen reiterated at a press conference that "we have to have indicators to show if we're making progress or not in opening markets."

Bentsen said President Bill Clinton asked him to add the hastily arranged trade talks with Hosokawa and an earlier hour-long session with Finance Minister Hirohisa Fujii to the end of a lengthy trip to Russia and Asia.

Both sides also said Japan reaffirmed its commitment to take steps to spur its slumping economy.

"We said very strongly that we want a major stimulus package and that it be a sustained one," Bentsen told reporters, adding that a short-term stimulus, such as an income tax cut offset with a quick hike in the consumption tax, is "not effective."

Fujii vowed "serious and vigorous efforts" to launch "a new economic stimulus package, including tax cuts," and said a forum of the government and ruling coalition parties will continue seeking an "acceptable decision" on tax issues, according to the ministry's Kato.

Fujii told reporters that he asked Bentsen to "please trust us" to try to boost the economy in the wake of the upper house's rejection Friday of the government-proposed political reform package. But Japanese officials said that Bentsen and the Japanese leaders did not discuss details of a tax cut or other measures.

Hosokawa sought support for his attempt to "pin efforts on political reform bills over the next week" because they are supported by the public and that the passage would have "favorable economic effects," Kato said, adding that Bentsen made "no specific requests."

Bentsen told reporters he appreciated that Japanese leaders are "pushing" to craft stimulus measures and reach a trade agreement. "They said they're ready to go ahead," despite the current political turmoil, he said.

He declined to comment on the "local political situation," except to say that Hosokawa "has his work before him."

Bentsen also refused to discuss the foreign exchange market abroad, where the dollar temporarily sank Friday to a one-month low in the 109 yen range before rebounding. Currency dealers said the failure of the reform bills throws the stimulus package in doubt and increases chances that Washington will revert to high-yen pressure to cut Japan's trade surplus.

Hosokawa remains committed to the February 11 meeting in Washington with Clinton, both sides said.

Hata, Saito on Bentsen Remarks

OW2401100694 Tokyo KYODO in English 1000 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The Japanese Government on Monday [24 January] described as "untimely" remarks by U.S. Treasury Secretary Lloyd Bentsen over the weekend that Washington may "reexamine" the bilateral trade framework talks if no accord is reached before a Japan-U.S. summit on February 11. Foreign Minister Tsutomu Hata told a press conference that Bentsen made the remarks "too early" since vice ministerial-level talks are now under way in Washington.

At a separate news conference, Vice Foreign Minister Kunihiko Saito also called Bentsen's remarks "untimely" and "not constructive" because both sides are engaging in serious discussions to achieve agreements. Saito said it was not timely because Japan and the U.S. have been strengthening their efforts to produce such accords.

On Sunday, Bentsen said the United States "will not settle for any cosmetic agreement" on trade and that "if we do not have credible agreements by the time of the summit, we would have to reexamine the basis of the framework." Bentsen said his remarks are not meant as a threat but were "just the logical consequence," reflecting "the realities of the situation."

Government: U.S. Investment Talks 'Preliminary'

OW2201013494 Tokyo KYODO in English 0126 GMT 22 Jan 94

[Text] Washington, Jan. 21 KYODO—Japan and the United States wrapped up three days of working-level trade talks Friday [21 January] to address issues of foreign direct investment in both countries, Japanese officials said. The "working group" session on investment is part of the wide-ranging framework trade talks the two countries have been holding to increase access and sales of foreign goods and services in Japan.

Officials from the two countries were also meeting separately in Washington on the access and sales of auto parts in Japan.

Japanese officials characterized the latest session on investment issues as preliminary, noting that the investment sector is not on the "priority list" that must be completed by the February 11 summit between Prime Minister Morihiro Hosokawa and President Bill Clinton.

Discussions were limited primarily to a presentation of matters of concern both to the U.S. and Japan on investment issues. Among the issues the U.S. raised were excessive government regulation on foreign direct investment and problems foreign investors face in the acquisition of Japanese corporations.

Washington has charged that Japan deliberately blocks the entry of foreign capital into Japan, which U.S. officials said has caused a "substantial loss of potential exports" from foreign firms to their Japanese subsidiaries.

According to U.S. figures, Japan hosted about 12 billion dollars in foreign direct investment in 1991, representing only 0.7 percent of the world's stock of inward direct investment.

By contrast, the U.S. hosted 414 billion dollars, or 22 percent, of the stock of inward direct investment. The corresponding figure for the European Union—as the former European Community is now known—was 714 billion dollars, or 38 percent, U.S. officials said.

Showdown With U.S. Seen on 'Objective Criteria'

OW2301041594 Tokyo KYODO in English 0346 GMT 23 Jan 94

[Text] Washington, Jan. 22 KYODO—The issue of "objective criteria" is likely to dominate talks between senior Japanese and U.S. trade negotiators on foreign access to Japan's government procurement market, a Japanese official said Saturday [22 January].

The so-called framework trade negotiations between Japan and the United States move up to the deputy minister level Sunday as working-level officials were struggling to complete a "progress report," their positions deadlocked over pivotal provisions of the framework accord.

"I guess objective criteria will be main theme at the deputies' meeting" on government procurement, a Japanese official involved in the trade talks told reporters after completing yet another working-group session with U.S. officials Saturday.

A huge Japanese Government team comprising 40 to 50 officials is in Washington for a wide range of sector-by-sector trade talks set for the coming week.

Two sets of deputy minister meetings are set for Sunday, one on the implementation of existing trade agreements concluded between the two countries and the other on foreign access to the government procurement market in Japan.

The U.S. insists on setting "quantitative criteria" to measure the progress of foreign access and sales in the Japanese Government procurement market. Japan has balked at the U.S. demand, arguing that any numerical yardstick would inevitably be regarded by the U.S. as a formal commitment by Japan to set aside a certain market share for foreign firms.

Japanese officials appear not to be hopeful of any breakthrough on the "objective criteria" issue at the deputy ministers' meetings. "The prognosis looks dicey," one official said.

The stalemate on objective criteria is just one of many gaps between the two sides on the government procurement issue.

Japanese officials said there is no agreement on the scope of public entities that must be covered under new government procurement codes nor on the amount of government procurement that must be open to foreign participation.

In addition to government procurement issues, other areas of framework trade talks scheduled for the coming week in Washington include sales of foreign-made automobiles and auto parts in Japan, regulatory reform and issues of competitiveness between the two countries.

The entire set of negotiations is supposed to be concluded prior to the summit meeting between Prime Minister Morihiro Hosokawa and President Bill Clinton on February 11 in Washington.

Officials Avoid Trade Targets Showdown in Talks

OW2401031994 Tokyo KYODO in English 0311 GMT 24 Jan 94

[By Antonio Kamiya]

[Text] Washington, Jan. 23 KYODO—Officials in charge of drafting a so-called "framework" trade accord in time for the upcoming U.S.-Japan summit met for the first time Sunday [23 January] and left the biggest bone of contention—how to measure "tangible progress" on foreign access to Japanese markets—virtually untouched.

Japanese officials who attended the day's two separate sessions later told reporters that they had decided to leave the contentious issue of objective criteria for negotiations at a plenary subcabinet session beginning Monday.

Senior officials from Japan's foreign and trade ministries met behind closed doors for five and half hours Sunday with a U.S. counterpart—deputy U.S. Trade Representative Charlene Barshevsky—to address two areas in the wide-ranging framework trade talks. One area concerns ways to increase foreign access and sales in Japan's government procurements, and the other seeks to address U.S. concern on the implementation of existing bilateral trade agreements.

Japanese officials said talks on how to monitor the implementation of existing trade accords on such market sectors as semiconductor, paper and glass drew little dissent from both sides.

After a two-hour meeting that was described as "friendly and lively" between Japan's Vice Minister for International Trade and Industry Sozaburo Okamatsu and Barshevsky, the two sides struck an agreement on how to monitor past trade accords, Japanese officials said.

The two sides agreed on three principles—"objective description of the situation," stating "different positions in a balanced manner," and mutual efforts "to resolving any factual misunderstanding"—as the basis for keeping track of existing trade pacts, the officials said.

Japanese officials, however, conceded that there was little attempt in a separate set of talks Sunday between Deputy Foreign Minister Koichiro Matsuura and Barshevsky to bridge the gap on ways to set up "objective criteria" for measuring foreign access to Japan's government procurement market.

"We will talk about it at the plenary session tomorrow," a Japanese official said, noting that the issue of objective criteria is also linked to separate negotiations on foreign access to Japan's automobile and insurance markets.

Senior U.S. officials have said the framework trade talks must produce "tangible progress" in foreign access to Japanese markets, and have suggested using import levels in other industrial countries as yardsticks for gauging the openness of the Japanese markets.

Tokyo has balked at the idea, arguing that market shares, or any measurements that "smack" of market-share arrangements, run counter to free trade.

Japanese officials Sunday sought to draw the line on what type of "objective criteria" is acceptable to Tokyo, saying that the Japanese Government would not mind using past economic data—such as the value of imports in specific market sectors—as indicators of progress in foreign access to Japanese markets.

"Anything that suggests a future target is out of the question," said a senior Japanese official, who spoke on condition of anonymity.

The Japanese and U.S. principals involved in negotiations on the government procurement, auto, and insurance market sectors are supposed to complete a progress report on their talks by the time Prime Minister Morihiro Hosokawa and President Bill Clinton meet in Washington on February 11.

U.S. Treasury Secretary Lloyd Bentsen has warned Tokyo that the U.S. Government would rather junk the framework talks rather than accept "any cosmetic agreement."

"If we do not have credible agreements by the time of the (February 11) summit, we would have to reexamine the basis of the framework," Bentsen told reporters on Sunday after a short visit to Tokyo.

Takemura: Hosokawa To Visit U.S. as Scheduled

OW2401041394 Tokyo KYODO in English 0401 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Morihiro Hosokawa will hold a summit meeting in Washington with U.S. President Bill Clinton on February 11 as scheduled, the chief government spokesman said Monday [24 January].

Doubts had been raised about the meeting amid political uncertainty in Japan following Friday's rejection of crucial political reform bills by the House of Councillors, But Chief Cabinet Secretary Masayoshi Takemura told reporters at a regular news conference, "the schedule remains unchanged."

The summit will center on bilateral framework trade talks aimed at expanding access for imports to the Japanese market.

U.S. Treasury Secretary Lloyd Bentsen said in Tokyo on Sunday that the United States may "reexamine" the stalled trade talks if no agreement is reached before next month's summit. Hosokawa and Clinton agreed on the February summit when they met in the U.S. city of Seattle during the Asia-Pacific Economic Cooperation session there in November.

Hata: Room Exists To Avoid Rice Tariffication

OW2401092294 Tokyo KYODO in English 0911 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Farm Minister Eijiro Hata said Monday [24 January] that Japan's decision to partially open its rice market to imports does not necessarily mean it has agreed to begin adopting a tariffication scheme for rice from the seventh year under the GATT accord.

There is room for negotiations on whether or not Japan must take that step, Hata said. The agriculture, forestry and fisheries minister was addressing the Japan National Press Club.

The draft farm trade accord proposed by the General Agreement on Tariffs and Trade (GATT) allows Tokyo to resume discussion on the issue before it enters the seventh year, he said.

In December, Tokyo accepted without modification the GATT accord, which calls for Japan to open 4 percent to 8 percent of its domestic rice market as the minimum access for imports in exchange for a six-year moratorium for replacing all import restrictions with tariffs. The proposal requires Japan to make additional concessions in order for the special treatment to be extended beyond the sixth year.

Specific commitments or conditions for extending the moratorium beyond the sixth year are also negotiable later, Hata said.

Hata said he will not resign as farm minister over Japan's accepting the opening of its rice market. He said he will devote himself for the time being to laying the groundwork for his successor to effectively handle possible problems after the rice market opening.

"That's the way I will take the responsibility," he said.

Hata forecast about one-third of the nation's three million rice farmers will leave farming in 10 years, affected by the opening of the rice market.

Hata proposed using imported rice under the minimum access clause mainly for four areas—stockpiling for emergency rice for shortages, using it in processed foods such as rice crackers, experiments for development of new rice products, and supplying it to foreign countries as part of economic assistance. He said it has yet to be decided whether or not imported rice will be used as staple food.

Ha said imported rice, if consumed as staple food, would "hopefully" be blended with Japanese rice.

The amount of domestically produced rice to be provided for four months from March, for example, is only 30 percent of total supply capacity due to the poor harvest last year, Hata said, adding that supplies of domestic rice would run short quickly unless it was blended with foreign rice.

Russian Allegation of Fishing Violations Noted

OW2401090094 Tokyo KYODO in English 0843 GMT 24 Jan 94

[Text] Kushiro, Hokkaido, Jan. 24 KYODO—The Hokkaido prefectural government initiated an investigation Monday [24 January] into charges by the Russian Foreign Ministry that tens of Japanese fishing vessels violated Russian territorial waters Friday and Saturday. Russia alleges the Japanese fishing boats entered Russia's territorial waters near Kunashiri Island, one of four Russian-held islands claimed by Japan.

Prefectural government officials questioned the heads of eight fishery cooperatives, while the Maritime Safety Agency [MSA] requested a detailed explanation of what happened over the weekend.

MSA officials said the agency received a notification last Friday that Russia was strengthening its policies against border transgressions and added two to three patrol boats to the waters surrounding the disputed islands.

The Russian Foreign Ministry also said that three Japanese patrol boats were in the vicinity at the time of the alleged transgressions but did nothing to halt the intrusions into Russian territory. The MSA on Monday denied the charge as "impossible."

ITAR-TASS NEWS AGENCY reported over the weekend that more than 50 Japanese vessels violated territorial waters Friday and some 30 others Saturday.

Japan has long called for the return of four Russian-occupied islands—Kunashiri, Etorofu, Shikotan and the Habomai group—which the former Soviet Union seized at the end of World War II.

Hata: Russian Aid Policy Remains Unchanged

OW2401111094 Tokyo KYODO in English 1051 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Japan's policy on aid to Russia remains unchanged despite the recent political instability there, Foreign Minister Tsutomu Hata said Monday [24 January]. At a press conference, Hata brushed aside some reports suggesting that Japan's policy on aid to Russia has changed because of recent political developments in Moscow, such as the resignations of reformers First Deputy Premier Yegor Gaydar and Finance Minister Boris Fedorov.

Japan's position to support, in cooperation with the Group of Seven (G-7) nations, Russia's efforts for democratization, a shift toward a market-oriented economy and a transition to a diplomacy based on law and justice, remains unchanged, Hata said. Japan is watching closely Russia's moves to form a cabinet and other developments concerning its domestic politics, but it has not yet changed its policy on aid to Russia, he said.

He said Tokyo will continue to extend the aid by grasping the progress of reforms in Russia and by understanding the needs of the Russian people.

Hata also said Russia's development and stabilization are important because the country has influence within the international community and great resources and technology.

More Reaction to Political Reform Bill Rejection

U.S. Reaction to 'Setback' Noted

OW2101232494 Tokyo KYODO in English 2309 GMT 21 Jan 94

[Text] Washington, Jan. 21 KYODO—The defeat of Prime Minister Morihiro Hosokawa's political reform package at the hands of the House of Councillors Friday [21 January] sent shock waves among U.S. officials involved in crucial trade talks with Japan. "We're looking at the situation in Japan closely," U.S. Trade Representative Mickey Kantor said. "Obviously it's a fluid situation in which no one is quite sure what the outcome will be."

Bowman Cutter, deputy presidential assistant for economic policy and the White House point man coordinating the "framework" trade negotiations was more brunt.

The upper house's rejection of Hosokawa's initiative to overhaul the Japanese electoral system is a "significant setback" for the Japanese Government, cutter said in an interview on CNBC cable television.

Hosokawa's political troubles came as senior officials from the two countries were gearing up for a final round of trade talks ahead of a summit meeting in Washington with President Bill Clinton on February 11.

Deputy U.S. Trade Representative Charlene Barshevsky said the trade talks would proceed as scheduled. Like Kantor, she declined to comment on whether Hosokawa's political troubles would cloud prospects of the summit meeting.

Some U.S. political analysts were less circumspect.

"The political situation in Japan has become very dicey," said Douglas Paal, former special assistant for Asian affairs on the National Security Council. Paal told a private forum on U.S.-Japan trade relations that he believes the political upheavals in Tokyo will have "a big impact" on the Hosokawa-Clinton summit.

In his television interview, Cutter said Clinton remains "extremely supportive" of Hosokawa's reform efforts.

Senior U.S. Administration officials have said Washington had hoped Hosokawa would shift his focus to reviving the stalled Japanese economy once the political reform issue was out of the way. Cutter said Friday that Clinton still expects the Japanese Government to introduce a stimulus package, noting that the issues of political reform and economic stimulus are "quite distinct."

U.S. Treasury Secretary Lloyd Bentsen is due in Tokyo on Sunday for talks with Hosokawa and Finance Minister Hirohisa Fujii.

Tokyo and Washington are currently engaged in wide-ranging trade talks through which Washington hopes to secure a Japanese commitment to adopt specific measures to reduce its vast trade surplus and open up specific market sectors of particular interest to U.S. businesses.

The Clinton administration has repeatedly said the size of Japan's trade surplus is "politically untenable." Clinton himself reinforced his determination to cut the trade gap with Japan, saying on a television talk show Thursday that Japan is one of the "biggest problems" for U.S. trade.

Hosokawa Vows To Carry Out Reform

OW2201115394 Tokyo KYODO in English 1140 GMT 22 Jan 94

[Text] Tokyo, Jan. 22 KYODO—Prime Minister Morihiro Hosokawa, undaunted by Friday's [21 January] rejection of his political reform legislation package by the House of Councillors, still aims to attain the goal within a week, his associates said Saturday. Hosokawa, in meetings with his supporters who called at his official residence Saturday, expressed his resolve to accomplish reforms.

Hosokawa, who came to power last August, took a stinging blow Friday when the upper house voted against a package of four political reform bills with a vote of 118 for and 130 against.

Hosokawa stated last year he will take responsibility if he fails to bring about political reforms by the end of that year. But he extended the deadline to the end of the current session of the Diet due to expire January 29.

He still has one full week until the end of the current Diet session to work out a compromise through negotiations with the opposition camp and to enact political reform bills.

Koki Ishii, a member of the Japan New Party which the prime minister leads, said Hosokawa has no plan to dissolve the House of Representatives and call for a snap general election.

Deputy Prime Minister and Foreign Minister Tsutomu Hata said in a lecture in Fukuoka on the southern main island of Kyushu on Saturday there still is a chance to get political reforms approved by the Diet. "What is important now is to realize reforms. If both ruling and opposition sides are willing to do so, reform bills will be attained," he said.

To revive the political reform program, amendments need to be made by a joint council of 10 members each from both houses for approval by plenary sessions of both houses before the current Diet session ends.

Hata said Hosokawa will continue to pursue his goal instead of resigning his post because his cabinet still enjoys a popularity rating of over 50 percent.

Home Affairs Minister Kanju Sato, speaking in Tsu, Mie Prefecture, said the ruling coalition is ready to compromise with the opposition Liberal Democratic Party to carry out political reforms.

Ryutaro Hashimoto, chairman of the LDP's Policy Affairs Research Council, blamed Hosokawa's performance for Friday's upper house decision.

He said the dissolution of the lower house is unrealistic in view of pressing diplomatic and domestic affairs, such as a summit between Hosokawa and U.S. President Bill Clinton and formulation of the fiscal 1994 budget.

Shin Sakurai, a deputy secretary general of the LDP, said he will go all out to kill the reform bills although he favors the enactment of an anticorruption law.

Tomiichi Murayama, chairman of the Social Democratic Party (SDP), addressing an emergency meeting of the party's central executive committee, expressed deep regret at the upper house action and the party as the largest group in the ruling coalition has to take the blame for it.

While declining to make clear whether he will step down as party leader to take responsibility for the failure, he said he will continue efforts to bring about political reforms.

In a related development, Michio Watanabe, a former foreign minister and leader of one of the LDP's five major factions, appeared on a television program and called for a two-step reform with priority placed on prevention of corruption, followed by a change in the election system.

Political sources said Shinseito (Japan Renewal Party) and Komeito, both in the ruling coalition, consider it unavoidable to make bold concessions to the LDP to get the political reform package through the Diet. Such a move, however, will face strong resistance from the SDP, which is widely split over the reform package, they said.

SDPJ Opposes Reviving Bills

OW2201120994 Tokyo KYODO in English 1157 GMT 22 Jan 94

[Text] Tokyo, Jan. 22 KYODO—Leaders of the Social Democratic Party (SDP), the biggest group among seven parties in the ruling coalition, agreed Saturday [22 January] to oppose reviving reform bills sponsored by the Liberal Democratic Party (LDP) in an effort to reach a compromise, party officials said. The officials said top party executives and the party's central executive committee met and agreed that the SDP will continue to support a package of four government-proposed bills, which fell through in the House of Councillors on Friday.

The LDP bills allow corporations to give donations to individual politicians, while the government bills ban such donations and allow only corporate donations to political parties.

On Friday, Komeito Secretary General Yuichi Ichikawa hinted at accepting the LDP package as a compromise to enact political reform before the current extraordinary session of the Diet expires January 29. But the SDP strongly opposes easing proposed controls on political funding.

The SDP also decided to severely punish the 17 SDP legislators who voted against the package in defiance of the party leadership, and did not exclude the possibility that the legislators may be expelled from the party. It also recommended that Yutaka Shitoma, one of the rebels and the head of the party's election committee, give up his seat on the central executive committee, the officials said.

The House of Councillors dismissed the government package with 130 to 118 votes mainly due to the unexpectedly high number of SDP dissidents which substantially outnumbered the five LDP members who crossed party lines to vote for the bills. SDP Chairman Tomiichi Murayama, speaking at the central executive committee session, acknowledged the SDP's responsibility for the defeat of the reform bills and said, "We firmly support the coalition government, and want to live up to our responsibilities by tackling the remaining problems."

Many political sources have expected the party leadership to resign sooner or later because of failure to unite its members behind the government bills.

SDPJ, LDP Leaders on Positions

OW2401134094 Tokyo NHK General Television Network in Japanese 1000 GMT 22 Jan 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] In a meeting of the party Central Executives Council today, the Social Democratic Party of Japan [SDPJ], many members of which revolted and joined the opposition parties in defeating the government-proposed political reform bills in the upper house on 21 January, reaffirmed the policy of pushing to have the bills approved by the Diet in the current session, and decided to mete out strict disciplinary actions against the members who voted against the bills.

SDPJ Chairman Tomiichi Murayama in the meeting said the responsibility of the SDPJ as a member of the coalition parties is great. He asked for cooperation of the party members, saying the party must be resolved to answer the expectations of the people on pending political issues.

Chairman Murayama said he will not think about resigning but will continue to lead the party. He said the party leadership will continue efforts to have the bills approved in the current Diet session. In talks with coalition member parties and in discussions in the joint conference of two houses of the Diet, he said, his party will continue to insist that the prevention of political corruption should be the main theme in the political reform.

The party Central Executives Council in the meeting today decided the upper house members who voted against the political reform bills should be strictly disciplined.

The leaders of the SDPJ group in the upper house also met today, and decided to urge four of the rebel members, who belong to the SDPJ's upper house floor group but are not formally affiliated with the SDPJ, to leave the group. Regarding the rebels who are formal members of the party, the leaders agreed to request the party Central Executives Council to consider dismissing them from the party. The council will make a decision on whether to remove them from the party's upper house pact by 27 January.

Meanwhile, in the SDPJ Kanagawa Prefecture chapter, officials of the chapter decided to resign en masse, taking responsibility for a SDPJ upper house member from the chapter voting against the bills. Apparently, the impact from differences over ways of dealing with the reform bills is sending ripples to local chapters as well.

Foreign Minister Tsutomu Hata gave a speech at Fukuoka City today. Speaking about how he thinks the political reform bills should be handled, he said he cannot accept any proposal to limit the reform to that aimed only at preventing corruption. Noting some people are talking about enacting only the bill relating to political corruption, he said if these people are serious about the political reform, they would not be saying such a thing.

In the speech, Hata claimed the cause of the political corruption problem lies in the current election system enabling political parties to field many candidates in each of the electoral districts, thus forcing the parties to use so much money in campaigns. As long as that issue remains unresolved, the political scenes will never change, he insisted. He thus made it clear that he will not accept the idea of narrowing the reform efforts to only those concerning corruption as now being talked about by the Liberal Democratic Party and some of the SDPJ members.

Regarding the possibility of Prime Minister Morihiro Hosoakwa's assuming political responsibility in case the political bills fail to be passed by the Diet in the current session, Foreign Minister Hata noted that public opinion polls showed more than 50 percent of the people support his cabinet. If Hosokawa decides to do that, Hata said, it will only incur the anger of the people. Each and every member of the Diet should be held responsible for this situation, he insisted.

Within the Liberal Democratic Party [LDP], in the mean time, there are now growing voices that the bill on prevention of corruption should be acted on first. But there are also some who think a compromise plan should be worked out in the joint conference of the two houses.

Ryutaro Hashitomo, chairman of the LDP Policy Research Council, spoke in Nayoro City, Hokkaido, about the political reform bills, and said Prime Minister Hosokawa and all the cabinet members should think where the problem lies. He said he wants them to feel responsible about the abusive way they run the Diet and about their dialogue intended as only a show performance. Noting that it is clear that the political reform bills cannot be passed as they are now, Hashimoto urged the government to change its way of thinking.

Hashimoto indicated he wants to be cautious in responding to proposed talks with the coalition to discuss a new compromise.

Meanwhile, Keizo Obuchi, former general secretary of the LDP, who heads the Obuchi faction, delivered a speech in Gunma Prefecture. According to him, a general agreement by members of both houses in the Diet must be a precondition to holding the talks to discuss a compromise plan. He said the party should be cautious about agreeing to a compromise plan.

Another LDP leader—former Foreign Minister Michio Watanabe—spoke in a commercial television program this afternoon, and said the polical reforms should start from measures on preventing corruption and controlling political funds. He insisted that enough time must be given to discussions on the political reform.

In another scene, the group of the LDP members supporting the political reform—the Dietmen's Union for Promotion of Political Reform—decided to launch a signature collection campaign within the party in a call to urge the party leadership to positively participate in the joint conference of the two houses to come up with a new compromise plan.

Dietmen Discuss Reform Issues

OW2301140794

[Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 22 January, in its regularly-scheduled "News 2001" program, carries a 60-minute live relay of a roundtable debate participated in by Yoshiro Mori, general secretary of the Liberal Democratic Party (LDP); Koken Nosaka, chairman of the Social Democratic Party of Japan's (SDPJ) Diet Affairs Committee; and Kozo Watanabe, general secretary of Shinseito (Japan Renewal Party).

Former SDPJ Secretary General Hirotaka Akamatsu, and Masatoshi Ito, one of the SDPJ upper house members who voted against the government-proposed political reform bills on 21 January, join in the debate via remote hookup in the latter part of the program which is moderated by newscasters Yuji Kuroiwa and Kaori Matsuyama.

After a lengthy introduction of the guests, moderator Kuroiwa at 2238 GMT begins the discussion by noting the reform bills were rejected unexpectedly by the upper house, and asks Mori of the LDP how he feels about it. Mori, though speaking on behalf of the opposition camp, says it was "very regrettable" and adds: "While the Diet is a forum for the representatives of the people, it was unable to understand the bills." The LDP general secretary says, "Another point to note—aside from the question of the substance of the bills—is that this body—the House of Councillors—is independent, and is separate from the House of Representatives. This fact has been more or less ignored by many, particularly by those of the ruling parties, and the members of the House of Councillors have been angered by it."

Asked how he feels about the voting results, the SDPJ's Nosaka also says it was "very regrettable" that the bills were rejected. Nosaka says: "The party must, once again, do all it can do to have the bills passed during the current session of the Diet."

After some introductory remarks by the newscasters and a review of the political scene by guest political commentators, full-fledged debate starts at 2338 GMT. Moderator Kuroiwa asks Mori to comment on reports that the LDP wants the bill dealing with political corruption to be taken up first, ahead of other bills. Mori explains the history of why the efforts for political reform started, recalling, "The people became disappointed with close ties between politics and money, as well as by scandals involving politicians, and they started to distance themselves from politics. Political reform started about six years ago from the desire to do something about this situation."

Asked whether Mori believes the bill on political corruption should be acted on ahead of other bills during the one-week remaining of the current Diet session, he says there are some who think that way, but he declines to give his own view.

Kuroiwa asks Mori if the LDP would agree to pass the bills if the coalition accepts amendments to the bills proposed by the LDP before the bills are put to the vote. Mori responds: "The bills were in fact scrapped, and rejected. Now that this has happened, the various organizations within the party have to agree on a policy to deal with the matter. I think that will be done on Monday (24 January) or Tuesday."

At 2256 GMT, Shinseito's Watanabe is asked to give his view. Watanabe notes that the LDP leadership made a proposal to his party on changes in the government bills last week. Watanabe says his party is willing to make daring concessions in accepting the terms of the LDP in the forthcoming negotiations.

The moderator recalls that the terms demanded by the LDP include one on accepting political fund contributions by business organizations, and asks Nosaka of the SDPJ if his party can accept such a condition. Nosaka says his party cannot accept everything in the LDP terms, but adds his party is willing to negotiate as much as possible and make a final decision after the negotiations are completed.

At 2304 GMT, the SDPJ's Ito, one of the rebels who voted against the political reform bills in the upper house session, is asked to comment via the remote hookup. Ito insists that what the people of the nation really want in political reform is to prevent political corruption and that, as such, what is needed is a bill dealing with corruption. He says the election system has nothing to do with political corruption.

At 2305 GMT, moderator Matsuyama asks Akamatsu if the SDPJ upper house members who voted against the bills will be expelled from the party. Akamatsu says: "I asked Chairman Murayama and Secretary-General Kubo to deal strictly with or expel from the party the rebels who ignored the party resolution and voted against the bills at a critical time for the SDPJ. Mr. Murayama and Mr. Kubota, needless to say, said they would deal strictly with the rebels because the situation this time was completely different from the time when some SDPJ lower house members voted against the bills."

Asked what he thinks of Akamatsu's comment, Ito says the SDPJ mainstream was to pass the bill on prevention of political corruption first. Akamatsu immediately refutes this, saying: "The party convention, held on 11 and 12 January, unanimously agreed to resolutely promote political reform." He adds that "those who cannot abide by the party resolution have no right to remain in the party." Nosaka agrees with Akamatsu and says: "We will have a meeting with local representatives at 1500 (0600 GMT) on 26 January to hear what they have to say. We will also listen to the opinions of the party's upper house executives. After that, we will deal strictly with the rebels."

At 2309 GMT, Kobayashi points out that public disclosure of their internal problems will be a big blow to the SDPJ, and that it may be better to split the party into two because the so-called rebels have different beliefs from other SDPJ members. Nosaka responds to Kobayashi, saying that although there are many different opinions, the party has been very democratic in determining party resolutions or in finding "the greatest common denominator."

Going back to the issue of political reform, Kuroiwa asks Watanabe what the coalition parties are going to do about the bills during the remaining period of the current Diet session. Watanabe says: "Of course, we will call for a joint conference of the two houses. This is our constitutional right." He also explains the need to hold a top-level meeting between Prime Minister Hosokawa and LDP President Kono to settle the political reform issue.

Asked what he thinks of the proposal to hold such a meeting, Mori says: "As I briefly explained earlier, I think it is a good idea. However, the important thing is whether Mr. Hosokawa has discretionary power." Mori then criticizes Prime Minister Hosokawa for lack of leadership and failing to have the political reform bills approved.

As for the possibility of dissolving the lower house, and thereby forcing a general election, Watanabe and Mori agree that the time is not right because the government has many "important and imminent tasks," including the Japan-U.S. summit and budget compilation.

The live relay ends at 2330 GMT.

Hata Said Optimistic About Bills

OW2401083294 Tokyo KYODO in English 0818 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Deputy Prime Minister and Foreign Minister Tsutomu Hata voiced optimism Monday [24 January] that the government can secure Diet approval for political reform bills before the current session ends Saturday. "I think the political reform bills are sure to be passed by the Diet because there are still opportunities for negotiations," Hata told a meeting with business executives at a Tokyo hotel.

Hata, who is also head of Shinseito (Japan Renewal Party), said the package can still be approved either by a joint panel of both houses of the Diet or by a two-thirds majority at the House of Representatives.

The House of Councillors rejected the package of four bills Friday. Seventeen rebel members of the Social Democratic Party (SDP), the largest force in the ruling coalition, joined members of the opposition Liberal Democratic Party and Japanese Communist Party to vote down the package.

Hata said the enactment of the four reform bills, which would introduce a new election system and measures designed to curtail corruption, would produce "dynamism" in Japanese politics because it would activate stalled debates in the Diet. He brushed aside suggestions for corruption prevention measures to be enacted before overall political reform, saying the root of political corruption lies in the current multiseat constituency system.

Touching on the sluggish economy, Hata predicted that the future of Japan's economy is not so gloomy, although it is unlikely to recover immediately. He told the audience of executives and managers from across Japan that compiling of the state budget and carrying out deregulations are essential for the economy, saying it would boost demand in Japan, open markets for other countries and improve public life.

The foreign minister expressed willingness for Japan to become a permanent member of the United Nations Security Council, saying Japan has various techniques and know-how to offer to the world besides money and that its role is to extend them to the world. Hata said Japan should take initiatives on the international scene and put forward its own proposals.

SDPJ 'Ready' To Hold Summit

OW2401084194 Tokyo KYODO in English 0827 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The Social Democratic Party (SDP) [of Japan, SDPJ], the largest among seven parties in the ruling coalition, said Monday [24 January] it is ready to accept a call from the main opposition party to hold summit talks between their heads over the political reform process.

SDP Chairman Tomiichi Murayama told a meeting with labor leaders Monday that he received an informal call for a summit between him and Yohei Kono, president of the Liberal Democratic Party (LDP). In the meeting, Murayama indicated that the SDP alone cannot strike a compromise over the matter noting the party is one of seven partners in the coalition, SDP officials said.

LDP Secretary General Yoshiro Mori earlier proposed holding talks between Kono and Murayama.

The MAINICHI SHIMBUN reported Monday that Kono and Murayama should have summit talks and agree to consider legislating an antigraft law separate from election reform bills. The national daily said if the country's two largest parties agree on placing priority on anticorruption measures, it will have a significant impact in resolving the impasse over political reform.

Last week, the House of Councillors voted down a package of four government-sponsored political reform bills which had passed the House of Representatives in November.

Prime Minister Morihiro Hosokawa and his ruling coalition are seeking to establish a joint panel of the two houses in a last-ditch effort to achieve political reform by Saturday, when the current session of the Diet ends. The political reform package is designed to introduce a combination of single-seat and proportional representation seats for lower house general elections, replacing the current multiseat district system, as well as stepping up controls on political fund-raising activities.

Political Reform 'Key' to Economy

OW2401075394 Tokyo KYODO in English 0746 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Six cabinet ministers shared the view Monday [24 January] that political reform is a key vehicle to jacking up the economy, a cabinet spokesman said Monday. "They agree that a major premise for making decisions on important economy-related policies hinges on achieving political reform," Deputy Chief Cabinet Secretary Nobuo Ishihara told a news conference.

"They confirmed that seeing through the political reform package is one of the best economy-spurring measures," he said.

The six cabinet ministers made their views known at a meeting held at Prime Minister Morihiro Hosokawa's official residence. They are all government members of an economic panel that advises the seven parties in the ruling coalition.

The six are Foreign Minister Tsutomu Hata, Chief Cabinet Secretary Masayoshi Takemura, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai, Economic Planning Agency Director General Manae Kubota and Home Affairs Minister Kanju Sato.

During the meeting, the ministers agreed that the next 15 months are vital to getting the economy back on its feet in 1994 and ensuring stable growth in 1995 and beyond, Ishihara said. The six did not discuss when additional pump-priming measures will be worked out and the national budget for fiscal 1994, starting April 1, will be formulated, he said.

Two Houses' Joint Council Planned

OW2401074494 Tokyo KYODO in English 0711 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The Diet will set up a joint council of its two houses Tuesday in a last-ditch effort to enact a political reform package that was killed last week by the House of Councillors, political sources said Monday [24 January]. Ruling coalition and opposition parties are expected to agree on the setting up the 20-member joint council at a meeting Monday night of the House of Representatives steering committee, they said.

The House of Representatives will approve the establishment of the panel at a plenary session Tuesday. The council will be formed by 10 members each from both houses.

The House of Representatives, which approved the bills in November, will select its 10 members from among those who voted for them. The House of Councillors will send 10 members from among those who voted against the bills.

If two-thirds of the joint panel members agree on a compromise plan, the four bills can be enacted into law once they are endorsed by a majority of votes at plenary sessions of both houses of the Diet.

Prime Minister Morihiro Hosokawa, who has said he would take political responsibility if he fails to get the package passed, will put the bills to a floor vote again at a lower house plenary session if the joint council ends in failure, coalition officials said.

Hosokawa explained his strategy during a meeting Monday of representatives from parties in his ruling coalition. The prime minister told the session that he is ready to meet Yohei Kono, president of the opposition Liberal Democratic Party [LDP], if Kono makes such a call.

Chief Cabinet Secretary Masayoshi Takemura told a morning news conference that both the ruling and opposition camps need to hold frank talks and work out a compromise.

LDP Diet Affairs Committee Chairman Sadatoshi Ozato told reporters the coalition parties should unify their position and promise not to take a vote at the lower house plenary session even if talks at the joint panel fail. Under constitutional rules, bills which were approved by the lower house but rejected by the upper chamber can be revived for legislation if the lower house passes it again by a two-thirds majority.

The upper house voted down the package of four government-sponsored reform bills which among other things call for the introduction of a combination of single-seat and proportional representation districts for lower house general elections in place of multiseat constituencies. The reform bills also aim to tighten controls on political fund-raising to stem graft.

Seventeen legislators of the Social Democratic Party (SDP), the largest coalition bloc, sided with LDP members to reject the bills.

At a meeting Monday, leaders of seven parties in the ruling coalition renewed their resolve to pursue enactment of political reform by the end of the current Diet session, the officials said.

The coalition is determined to enact the bills as a package that encompasses antigraft measures, the officials said. The political reform bills will only be effective to wipe out corruption if they are enacted as a package, the officials said.

The 90-day schedule of the present extraordinary Diet session was extended for 45 days beyond the initial deadline on December 15 to achieve Hosokawa's pledge to act on political reform bills during the current parliamentary session. The Diet session ends Saturday.

Since taking office in August after ousting the LDP from its 38-year grip on power, Hosokawa has staked his political fate on enacting political reform.

In the wake of Japan's political turbulence, Tokyo stock prices plunged sharply with the 225-issue Nikkei stock average plummeting 954.19 points to finish at 18,353.24.

Hosokawa Comments Further

OW2401043794 Tokyo KYODO in English 0428 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Morihiro Hosokawa will seek approval of a package of political reform bills at a House of Representatives plenary session if negotiations at a joint committee of both houses fail, officials said Monday [24 January]. Hosokawa made this clear at a meeting of representatives from parties in the ruling coalition, the officials said.

The package, which was rejected by a margin of 12 votes by the House of Councillors on Friday, can be enacted if it is passed again by a two-thirds majority in the lower house. The bills also could be enacted if a joint committee of 10 members each from both houses works out a compromise and wins approval by a majority vote from the two houses.

LDP Agrees To Setting Up Panel

OW2401030894 Tokyo KYODO in English 0257 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The main opposition Liberal Democratic Party (LDP) decided Monday [24 January] to agree to the setting up of a joint committee of both houses of the Diet to discuss modifications to a package of political reform bills. The government was defeated over the package last Friday, when it was rejected by the House of Councillors.

The LDP's decision to allow the matter to go before a Diet panel was reached by party President Yohei Kono and Secretary General Yoshiro Mori, the officials said.

The crucial package, on which Prime Minister Morihiro Hosokawa has staked his job, could still be enacted if the panel of 10 members from each of the two houses worked out a compromise that then won approval by a majority vote in both houses. The package rejected Friday had already been approved by the more powerful House of Representatives.

Coalition Plans To Seek Compromise

OW2401021494 Tokyo KYODO in English 0206 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—With only six days remaining in the current Diet session, the governing coalition started a last-ditch effort Monday [24 January] to revive the government-proposed political reform bills that were rejected by the House of Councillors on Friday.

Top leaders of the government and the seven-party coalition during a meeting are expected to confirm their policy that the package be enacted during the current Diet session, which ends Saturday, by gaining a compromise with the main opposition Liberal Democratic Party (LDP) in a joint committee of both houses.

Yuichi Ichikawa, secretary general of Komeito and chief negotiator from the coalition, will meet his LDP counterpart Yoshiro Mori on Monday afternoon to seek consent from the LDP. Senior officials of the House of Representatives steering committee on Monday will also discuss the issue of forming the joint committee.

The coalition hopes to decide on setting up the joint committee at a Diet plenary session Tuesday.

The future of Prime Minister Morihiro Hosokawa is in doubt after the upper house rejected the reform bills he has pledged to enact before the current Diet session ends.

Tokyo stock prices plunged in the morning session amid Japan's political turbulence with the 225-issue Nikkei stock average tumbling 727.07 points to 18,580.36 at 10 A.M.

Hosokawa, who took office last August as the first prime minister from outside the LDP in 38 years, has vowed that he will take "political responsibility" if he fails to achieve political reform, suggesting he will dissolve the lower house for a snap general election or make his cabinet resign en masse.

As the package, which was rejected by a margin of 12 votes at an upper house plenary session, has already passed the lower house, it can be enacted if it is passed again by the lower house by a two-thirds majority, or if a joint committee of 10 members each from both houses works out a compromise that wins approval by a majority vote from the two houses.

A tug-of-war between proponents and opponents of political reform within the LDP has intensified. A proponent group of LDP parliamentarians led by former Prime Minister Toshiki Kaifu will urge LDP President Yohei Kono Monday afternoon to seek a compromise with the coalition through a joint committee of both houses, party officials said.

Another LDP group led by former Foreign Minister Taro Nakayama decided Monday morning to call for a council to seek enactment of the anticorruption measures separate from the package, party officials said.

The government package is designed to clean up Japan's scandal-tainted political system, completely overhauling the mechanism for electing the lower house and tightening curbs on political funds.

Editorials Comment on Defeat

OW2201085294 Tokyo KYODO in English 0756 GMT 22 Jan 94

[Text] Tokyo, Jan. 22 Kyodo—The ASAHI SHIMBUN urged the ruling coalition Saturday [22 January] not to snuggle up to the main opposition Liberal Democratic Party (LDP) in talks to revise the government-proposed political reform bills that were voted down Friday at a plenary session of the House of Councillors.

"The bills are not completely dead. They could be resuscitated by again winning a two-thirds or more majority in the House of Representatives, or by gaining approval in the joint committee of both houses," an editorial of the ASAHI said.

The upper chamber rejected the package by 130 votes to 118, with 20 members of the Social Democratic Party, the largest force within the ruling coalition, voting against or refraining from attending the voting session.

"The prime minister said, 'there is now more room to reach a compromise with the LDP.'...But we would feel compelled to tell the coalition to hold it right there if some members are simply planning to adopt all of the LDP's proposals just to get the bills passed, as some of them have begun to openly say."

"We have thought all along that the LDP's bills, which were rejected by the lower house, had too many problems as they had a larger margin of single-seat constituencies than the government's plan, as well as less strict controls on political contributions by corporations. We cannot agree to the coalition snuggling up to the LDP without principle," the ASAHI said.

"We hold steadfast in our assertion that political reform must move forward as soon as possible. But that depends on the contents of the reforms. Rather than adopting all of the LDP's ideas as they are, it would be better for the government to think seriously about starting afresh in devising ways to restrict political funds and prevent corruption, separately from reforms in the election system," the ASAHI said.

The MAINICHI SHIMBUN and the NIHON KEIZAI SHIMBUN said Prime Minister Morihiro Hosokawa should not to retreat in the content of the reform bills in negotiating with the opposition camp.

"If (Hosokawa's remarks) mean he intends to ease restrictions on political contribution by corporations to individual politicians, we firmly oppose to that," the MAINICHI said. The MAINICHI also said it opposes dissolution of the Diet for a snap general election to break the deadlock.

The NIHON KEIZAI said that at least measures for anticorruption and tightening political funds controls should be realized during the current Diet session, which ends on January 29, and that electoral system reforms, which are currently thought to be the pivotal part of the bills, can be discussed later. It criticized both the ruling and opposition parties for having altered the anticorruption drive into a means to change the electoral system.

The YOMIURI SHIMBUN said, "The ruling and opposition parties must be aware of their joint responsibility to enact political reform and should begin talks immediately to fashion a compromise."

The YOMIURI calls on Hosokawa and LDP President Yohei Kono to hold a meeting to reach a compromise.

Former Komeito Member Questioned on Recruit

OW2001054594 Tokyo KYODO in English 0528 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—A former Diet member of Komeito was questioned in court Thursday [20 January] as the first of two politicians indicted in the 1989 Recruit stocks-for-favors scandal.

Katsuya Ikeda, 56, a former House of Representatives legislator of Komeito, which is now in the ruling coalition, was questioned by his defense council and prosecutors at the Tokyo District Court about his alleged involvement in the scandal. He denied all the charges against him.

In May 1989, prosecutors indicted Ikeda without arresting him, on charges of receiving 5,000 unlisted shares of Recruit Cosmos, a real estate company, and 7 million yen in cash from Hiromasa Ezoe, founder and then chairman of Recruit Co., a major publisher of job information magazines, in September 1986. The shares appreciated considerably after being listed.

Ikeda is accused of taking the shares and the money in return for acting on the firm's behalf in the Diet in 1984 and 1985, when a "gentlemen's agreement" that companies fix the date to recruit university graduates was on the verge of becoming a titular accord.

Ikeda said his Diet questioning was not done on behalf of the firm.

In response to his defense council's questioning on the issue, Ikeda said he already had an interest in problems of job placement for university students before he was asked by Recruit to bring up the issue in the Diet as asserted by prosecutors.

Ikeda said he began to have an interest in the job placement accord around 1977 just after becoming a member of the lower house and had a recognition the accord would be difficult to observe.

Along with Ikeda, then Chief Cabinet Secretary Takao Fujinami of the then ruling Liberal Democratic Party (LDP), was indicted in the influence-peddling scandal.

Fujinami is being tried on charges of receiving Recruit Cosmos shares before their flotation as a bribe from Ezoe, 57, for similar favors to the firm.

The stocks-for-favors scandal involved secretaries or relatives of LDP heavyweights such as former Premiers Yasuhiro Nakasone, Noboru Takeshita, Kiichi Miyazawa and former Foreign Minister Michio Watanabe.

Takeshita, then prime minister, and Miyazawa, then finance minister, were forced to resign because of the scandal.

Takemura: Work To Continue on Economy, Reform

OW2401034894 Tokyo KYODO in English 0337 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The government will press ahead with plans for a fresh economic stimulus package while trying to revamp the scandal-plagued electoral system, Chief Cabinet Secretary Masayoshi Takemura said Monday [24 January].

"I feel responsible for the delay in the announcement (of the pump-priming measures) from the original schedule of mid-January," the government's most senior spokesman told a news conference. "Since this is a matter of greatest concern to the public we want to work in parallel (with political reform deliberations)," he said.

Foreign Minister Tsutomu Hata, who heads an economic panel for the government and ruling coalition parties, plans to resume talks with members of his committee early this week, Takemura said. But Takemura could not say if the economic stimulus package will be put together this month, saying he does not have enough information on the timetable.

On Monday morning's plunge in Tokyo stock prices, Takemura commented, "the government will watch with great interest (the stock market movement) as a key index to gauge the state of the economy."

Share prices went into tailspin on Monday morning as the Nikkei stock average of 225 blue chips plunged 836.18 points to finish at 18,471.25.

Saito Sees Stimulus Package by 11 Feb Summit

OW2401094194 Tokyo KYODO in English 0933 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The government is expected to work out its new economic stimulus package in time before the Japan-U.S. summit in Washington on February 11, a top Finance Ministry official said Monday [24 January]. Vice Finance Minister Jiro Saito told a regular press meeting that it is the common view that the package would be in place before the summit, referring to early comments by Vice Trade Minister Hideaki Kumano calling for the launching by the summit.

Saito brushed aside the income tax cut issue, saying, "it will be decided by the economic problem forum" of the government and coalition parties.

Noting that the third extra budget for fiscal 1993 and the fiscal 1994 budget are to follow the package, Saito said he hopes the political turmoil would subside to allow "various measures as soon as possible."

Saito said the plunge in stock prices "stems from political uncertainties and other factors." But he rejected any effects from a possible delay in the economic package and budget.

"We have never mentioned a date to compile the budget," he said, adding the package was not slated for release on the day and the failure of the political reform bills to pass the upper house of the Diet came only last Friday.

Economic Planning Agency head Manae Kubota also said the implementation of economic stimulus measures by the government may be delayed until next month due to political uncertainty.

Kubota told a news conference that parties in the ruling coalition have already reached a broad agreement on the contents of the economic package, except income tax cuts. The income tax reduction, however, is an important pillar of the package and it should not be excluded from the program, she said.

She said political reforms must be implemented at all costs because the issue will be a major driving force for economic recovery.

Kumano Supports Presummit Economic Package

OW2401080894 Tokyo KYODO in English 0758 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—The government should compile new economic pump-priming measures before the scheduled Japan-U.S. summit in Washington on February 11, Japan's Vice Trade Minister suggested Monday [24 January]. Hideaki Kumano, vice minister of international trade and industry, told reporters that the U.S. Government should be informed of the contents of the economic stimulus package before the summit between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Kumano said his ministry and the Finance Ministry are holding working-level talks to coordinate views on the package. The package is expected to include major income tax cuts and an expanded budget for fiscal 1994, which begins next April 1.

Pump-Priming Package Announcement 'Delayed'

OW2401034794 Tokyo KYODO in English 0337 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—A high-ranking government source said Monday [24 January] the announcement of the planned economic stimulus package will be delayed to February.

The official, who did not want to be identified, said that the delay is inevitable because of political turmoil after the government's defeat Friday of political reform bills in the House of Councillors. The economic measures had been widely expected to be implemented in late January.

BOJ Chief To Keep Current Policy 'Intact'

OW2401032394 Tokyo KYODO in English 0316 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Monday [24 January] the economy remains mired in a slump with more time needed for recovery, but maintained his stance of keeping current monetary policy intact.

The economy "remains stagnant" with personal consumption and capital investment—the key pillars of domestic demand—"staying lackluster," Mieno said in an opening address to a two-day meeting of branch managers and overseas representatives. Against this backdrop, labor conditions have become "tougher," and the business sentiment has turned "more cautious," he added.

Although the latest fiscal and monetary measures are expected to continue showing their effects, an economic recovery seems to require "more time," Mieno said. But the central bank intends to watch the effects of past measures, he repeated, stressing that credit easing to date is "contributing to set the environment for macroeconomic recovery" by facilitating corporate restructuring programs.

Meanwhile, Mieno noted that lending by private financial institutions has remained weak and the money supply has continued to post low growth despite record-renewing drops in lending rates in line with the latest discount rate cut in September to an all-time low of 1.75 percent.

Mieno attributed the distant recovery outlook to cautious activities among companies and financial institutions stemming from lingering problems in clearing losses incurred during asset deflation after the collapse of the "bubble" economic boom of the late 1980s.

He also cited continued corporate restructuring in "trade divisions" to cope with the yen's appreciation. But Mieno reiterated that capital stock adjustments have progressed, and "pressure in this sense" is expected to "head toward easing."

Under these circumstances, Mieno called on banks to continue liquidating bad loans "steadily." He stressed the importance of "fully" utilizing market "vitality" in promoting adjustments and putting the economy on a path toward sustainable growth without inflation.

BOJ branch managers from 30 domestic branches and three overseas representatives gathered in Tokyo to report on the economic conditions of their repective areas.

Attention is fixed on whether the two-day meeting would lead the central bank to ease its monetary policy at a crucial time for the government that on Friday failed to pass the political reform bills through the upper house of the Diet. With the failure expected to cause a possible delay in the launching of a new fiscal package slated for this week, and with the market plunging again, hopes for a rate cut are rekindling after receding amid the stock market rally over the past week.

Tokyo stocks took a steep dive of more than 800 points in the key Nikkei stock average of 225 selected issues Monday morning.

Hosokawa Says Stock Prices To Rise Again

OW2401041294 Tokyo KYODO in English 0350 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Morihiro Hosokwawa seemed unconcerned about the stock market tumble Monday [24 January] morning, saying the prices will go up again.

Hosokawa said the effect on the stock market of the government's defeat on political reform was not a major problem. "(The stock prices) will move up again," he said.

Hosokawa noted that the Nikkei index recently fell to around 16,000. The Nikkei stock average—a key market indicator—plunged 836.18 points to close the morning session at 18,471.25 in response to the failure Friday of the coalition government's political reform package in the House of Councillors.

Government To 'Wait and See' on Stocks Tumble

OW2401022694 Tokyo KYODO in English 0213 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Finance Minister Hirohisa Fujii said Monday [24 January] the government will simply "wait and see" the stock market situation despite the tumble in morning trading over political turmoil.

Fujii attributed the sharp decline to the muddy outlook in the political scene ahead. But "(stock price fluctuations) are a common phenomenon," he said. "We will wait and see for the time being," he said.

The key Nikkei stock average of 225 selected issues plunged more than 4 percent during the two-hour session in a negative reaction to the defeat on Friday of the government's political reform bills in the House of Councillors.

North Korea

Pressure by U.S. 'Conservative Forces' Denounced

SK2201050594 Pyongyang KCNA in English 0450 GMT 22 Jan 94

["U.S. Conservative Forces Must Give Up Reckless Racket of Pressure"—KCNA headline]

[Text] Pyongyang, January 22 (KCNA)—Some conservative forces of the United States, slinging mud at the contents of agreement at the New York contact between the DPRK and the United States at the end of last year, are crying that compromise does not deserve welcome and continued pressure must be put on North Korea. And some paid media of the United States urge the DPRK to accept a special inspection, spreading the rumor that it agreed to accept routine and ad hoc inspections at the New York contact.

This is an act of throwing a wet blanket over the solution of the nuclear issue the way of which has been paved with so much efforts; it cannot be construed otherwise than a folly of those who do not know the essential nature of the nuclear issue or the direction of its solution but seek other purpose, says NODONG SINMUN in a commentary today.

The news analyst notes:

The nuclear issue of the Korean peninsula was caused by the introduction of nuclear weapons into South Korea by the United States. It is also the United States which complicated the situation by bringing forward "suspected nuclear development by the North".

Thus the nuclear issue of the Korean peninsula is a matter to be solved between the United States and the DPRK in view of its origin and background of its complexity today and the DPRK and the United States have the authority to solve it.

For the United States to remove the nuclear threat to the DPRK and renounce its hostile policy to stifle the DPRK is the precondition for a fundamental solution of the nuclear issue and a matter of clearing the debt owed by the United States to the DPRK down through history.

The DPRK agreed with the United States on the matter of inspection because we took into account the fact that the U.S. side accepted our formula of package deal and proposal for both sides to move simultaneously and manifested its willingness to discontinue the "Team Spirit" joint military exercises this year and hold the third-round DPRK-USA talks.

As for the inspection we intend to allow this time, it is an inspection needed merely for the guarantee of the continuity of safeguards according to the promise we made to the United States when we suspended temporarily the effectuation of our withdrawal from the Nuclear Non-Proliferation Treaty [NPT] for the solution of the nuclear issue through negotiations.

The conception of the inspection for the continuity of safeguards is a new one that originated from our special position in the state of temporary stop of the effectuation of the withdrawal from NPT. The inspection for the continuity of safeguards is, therefore, quite different from the routine and ad hoc inspections pursuant to the obligation under the NPT and, moreover, the "special inspection" cannot be an object of debate.

The DPRK is in a state of temporary suspension of the effectuation of its withdrawal from the NPT. Therefore we are not under obligation to implement the safeguards agreement like a full-fledged signatory.

This notwithstanding, the anti-dialogue forces of the United States, setting in motion intelligence plotters and paid trumpeters, are painting an exaggerated picture of the fact as if the U.S. side has made a unilateral compromise and crying that the DPRK must be made to undergo the routine and ad hoc inspections and "special inspection" of the International Atomic Energy Agency first. This is an imprudent act that does not hold water.

That the rightwing conservative forces of the United States are crying for pressure by demanding even the "special inspection" cannot be construed otherwise than an attempt to bring the situation to a catastrophe by totally driving the DPRK out of the NPT. This real intention is to break up the DPRK-U.S. talks at any cost and persistently pursue the hostile policy to stifle the DPRK.

We will counter toughness with toughness and our tough will will be manifested more strongly in practice than in word.

If the U.S. hard-line conservative forces do not want to regret for their act tomorrow, they should act with discretion before it is too late.

Pomminnyon Vows To Reunify Country in 90's

SK2401114194 Pyongyang KCNA in English 1112 GMT 24 Jan 94

[Text] Pyongyang, January 24 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) will not tolerate any legal and institutional mechanism obstructive to great national unity and any move of the anti-reunification forces, declared its chairman, Paek In-chun, in a statement today vowing to reunify the country in the 1990s without fail.

The statement was issued on the lapse of three years since the inauguration of the North side headquarters of Pomminnyon.

Paek In-chun recalled that since the formation of Pomminnyon, its organisations had vigorously waged a joint struggle, contributing to strengthening the internal forces of national reunification and inciting the nation's desire for reunification at home and abroad.

The great leader President Kim Il-song in his New Year address called on all Koreans at home and abroad to open a new phase for national reunification, the chairman noted, and [words indistinct] of the North side headquarters of Pomminnyon to make this year "A year of great national unity" and a year of a new phase for national reunification so that the country may certainly be reunified in the 1990s.

He said:

"The present rulers of South Korea are increasing tensions between the North and the South, while scheming to continue the 'Team Spirit' joint military exercises and other large-scale manoeuvres. And they are further intensifying the suppression of the pro-reunification patriotic forces of South Korea by invoking the 'National Security Law' which defines fellow countrymen in the North as the 'enemy.'

"The Kim Yong-sam group seeking confrontation and division against the fellow countrymen's desire for reunification far outdistances the former military dictators in craftiness and viciousness.

"We, regarding those who antagonize Pomminnyon, the mother body of great national unity, and try to disintegrate and outlaw it as the enemy of the nation who obstructs the reunification of the country and the unity of the nation, will staunchly fight to get rid of them.

"We strongly demand that the present South Korean authorities, who have persistently rejected the formation of the South side headquarters of Pomminnyon, promptly stop their perfidious acts and positively ensure Pomminnyon's patriotic activities for reunification."

Paek In-chun called on the 70 million fellow countrymen in the North, South and overseas to join Pomminnyon in stepping up the grand march towards reunification, under the banner of great national unity.

Daily Praises Work of Overseas Pomminnyon

SK1901052494 Pyongyang KCNA in English 0444 GMT 19 Jan 94

["NODONG SINMUN Supports Patriotic Initiative of Pomminnyon Overseas Headquarters"—KCNA headline]

[Text] Pyongyang, January 19 (KCNA)—The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) proposed that this year be made a "Year of Great National Unity" and called upon the North and South sides of Korea to launch a joint campaign in the North, South and overseas for the great unity of the whole nation. Supporting this, a NODONG SINMUN analyst today says: This is a very timely and just patriotic initiative in view of the desire of the fellow countrymen for reunification and the domestic and foreign situation.

The Central Committee of the North side headquarters of Pomminnyon highly estimated the initiative as a good proposal, expressed full support to it and warmly welcomed it.

The reunification question of Korea is a question of terminating the domination and interference of outside forces and fully realizing the sovereignty of the Korean nation and achieving national unity; it is a nationwide cause which the 70 million fellow countrymen at home and abroad should accomplish, united as one under the banner of the great unity of the whole nation.

Great national unity is the basic idea of Pomminnyon and reunification in the 90s is its noble duty to the nation.

The Pomminnyon organisations at home and abroad should jointly and energetically organize and conduct the patriotic movement for reunification to achieve great national unity by availing themselves of all possibilities and occasions and thus brilliantly adorn this significant year as a "Year of Great National Unity".

All the compatriots at home and abroad should frustrate the anti-national, anti-reunification reactionary offensive of the Kim Yong-sam group under the "civilian" veil and actively promote the great national unity in this course.

MINJU CHOSON Denounces Arrest of Student

SK1901110994 Pyongyang KCNA in English 1016 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—MINJU CHOSON today carries a commentary captioned "Anti-Reunification Act of Civilian Fascist".

The Kim Yong-sam group Monday arrested a student of Chonpuk National University Ho Hyon-chun, former vice-chairman of the South side headquarters of the Pan-National Alliance of Youth and Students for the Country's Reunification, on the charge of the "violation of the National Security Law". He was put on the "want list" for his involvement in the pan-national rally last year. Branding this as another fascist offensive against the pro-reunification patriotic forces and an anti-reunification crime, the analyst says:

It was out of the patriotic desire to bring earlier national reunification, the nation's wish, that the students in the North and the South last year discussed the matters of opening a grand reunification festival of students, holding talks at Panmunjom and confirming the reunification formula.

Unable to sit at one place, they debated on matters regarding reunification in the form of telephone dialogue. It was a patriotic deed to contribute to the noble cause of national reunification, as befits the standard-bearers of the country's reunification. It can never be a target of suppression.

But, taking issue with it, the Kim Yong-sam group blocked the students' reunification festival and arrested many patriotic people and, as if it were not enough, arrested one more student this time. This is a never-to-be- condoned act.

The "civilian regime" of Kim Yong-sam group is no more than a veil, which is not different from the former military fascist regimes at all.

There is nothing to expect from the present regime.

Memorial Held in Pyongyang for ROK's Mun Ik-hwan

SK2201111894 Pyongyang KCNA in English 1057 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—A memorial service for the late Rev. Mun Ik-hwan, a patriotic champion for reunification of South Korea, was held in Pyongyang today.

Rev. Mun was a reputed patriotic champion for reunification who devoted his all to the struggle for the independence and democratisation of South Korean society and the reunification of the country.

Seen on the platform of the hall of the memorial service were a portrait of the deceased wearing black ribbons and wreaths from the Committee for the Peaceful Reunification of the Fatherland, the Korean Christian Federation and other public organisations.

Present at the memorial service were Yang Hyong-sop, alternate Politburo member of the C.C. [Central Committee], the Workers' Party of Korea, chairman of the Supreme People's Assembly [SPA] and vice-chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF], Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries and vice-chairman of the CPRF, and other officials concerned.

Memorial addresses were made by Chairman of the North side headquarters of the National Alliance for the Country's Reunification [Pomminnyon] Paek In-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland Paek Nam-chun and member of the C.C., the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon] Choe Yong-hui.

They said the life of the late Rev. Mun, the fallen patriot, was the life of an admirable paoriotic-minded person who devoted his all to the struggle for independence, democracy and reunification and the life of a reunification champion who made a breakthrough on the barrier of national division with the devotion of his whole body and who kindled a fierce flame of reunification in the hearts of the compatriots at home and abroad. His death is a big loss to our nation, they noted.

They recalled that the pastor hailed and supported the proposal for convening a North-South political consultative conference to discusy the confederacy formula of reunification which was put forward by the great leader President Kim Il-song in his New Year address for 1989, visited Pyongyang in March that year and was received by the great leader, after which he renewed his patriotic faith and will for reunfication and, back in South Korea, he did not cease his struggle behind bars.

By refusing a Seoul trip of our mourners' group on the death of the late Mun, the South Korean authorities stripped themselves naked to the world, revealing their true color as fascist dictators and a group of barbarians who have totally thrown away human morality and the "civilian" mask, they said.

They stressed that, though the Rev. Mun passed away, his patriotic spirit for reunification will remain in the hearts of our people and the day of national reunification longed for by him will come certainly.

A poet Pak Se-ok recited a poem "To the Memory of Rev. Mun Ik-hwan" and people's actor Yi Tan read a poem written by the late Rev. Mun at the memorial service.

VNS Report on Kim Il-song Hailed in South

SK1801044994 Pyongyang KCNA in English 0417 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—The New Year address of the great leader President Kim Il-song has evoked great repercussions among South Korean people of all walks of life, according to Seoul-based radio Voice of National Salvation [VNS].

Choe Ung-mo, an ex-journalist in Chongno District, Seoul, said the New Year address of respected President Kim Il-song gives a new hope and confidence to the people in the South who are yearning after the North under the politics centring on the masses as a beacon of hope.

The group of traitors is resorting to vicious slanders and smear propaganda against the North in a bid to stop the minds of the people in the South from turning toward the North, but the people in the South stubbornly fight for the day when they will live under the administration of the president, looking up to the North, an earthly paradise of the working people, as a beacon of hope, he added.

Yi Myong-chol, a peasant in Puchon, pointed out that the peasants in the South failed in farming because of man-made calamities and, still worse, had to give up farming because the "president" opened rice market to the Yankees.

I heard the news that last year a bumper harvest visited the North under the sagacious agricultural policy of President Kim Il-song and, no doubt, this year, too, a bumper harvest will visit the North thanks to the agriculture-first policy set forth by the president, he noted, adding that the earnest wish of the peasants in the South is to do farming to their heart's content under the care of respected President Kim Il-song who is pursuing the best agricultural policy in the world.

A dissident Yi Sang-o in Kwangju said the proposal for achieving reunification by means of confederacy reclarified by President Kim Il-song in his New Year address is a banner for the reunification movement that the Korean nation should hold aloft.

There is no alternative but reunification by means of confederacy, the way of reunification which is acceptable to anyone under the present situation in Korea and this formula of reunification is the most fair and aboveboard and most realistic, best one, he said.

He vowed to devote his wisdom and energies to the struggle to reunify the country by means of confederacy as taught by President Kim Il-song.

KCNA Reacts to ROK Defense Ministry Report

SK2201044594 Pyongyang KCNA in English 0435 GMT 22 Jan 94

["War Trumpeting Inciting Confrontation"—KCNA headline]

[Text] Pyongyang, January 22 (KCNA)—The traitor Kim Yong- sam, when receiving "this year's working plan" of the puppet Ministry of Defence on January 20, cried that "the combat capabilities" of the puppet Army "should be increased" to cope with "the provocation of the North", according to a radio report from Seoul.

The puppet defence minister there blared that "a perfect combat posture of the Army will be taken to deal with armed provocation" of the North.

The South Korean puppets revealed their scheme to hurt fellow countrymen with arms, shouting themselves hoarse for "the completion of military posture" and "an immediate retaliation" from the beginning of the year. This shows that they will not hesitate to light the fuse of war to slay fellow countrymen. It must not be overlooked here that the traitor, maliciously charging the North with its fictitious "nuclear issue" again, spun out the malicious trash that the North "refuses to give up nuclear development" because it "has not abandoned its lingering desire for unification through communization and unification with arms."

This is a despicable ruse of the traitor to justify armed provocations of his group on the pretext of the North's "nuclear issue".

Making consistent efforts for peace of the country and its peaceful reunification, the North put forward the 10-point programme of the great unity of the whole nation and a proposal for the exchange of special envoys to discuss and resolve outstanding questions between the North and the South. The South Korean puppets, however, are following a road of dependence on foreign forces and North-South confrontation, shunning them.

The Kim Yong-sam group must stop running wild, mindful of the irrevocable consequences of its reckless war racket and increase of tensions.

South Daily Cited on 'Violation of Human Rights'

SK1901133894 Pyongyang KCNA in English 1021 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Jun Sik, chairman of the Human Rights Committee of the National Alliance for Democracy and Reunification (Chongukyonhap) of South Korea, at a press conference urged the authorities to stop the violation of human rights, the South Korean newspaper HANGYORE SHINMUN reported.

Noting that such human rights abuses as in the years of military fascist dictatorship continued under the Kim Yong-sam regime, he said: "All manner of harsh treatment such as torture and severe penalties must be totally checked."

South Radio Cited on Student Protest of U.S.

SK1901044994 Pyongyang KCNA in English 0409 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Some 700 students affiliated with the Seoul District Federation of General Student Councils (Sochongnyon) of South Korea met on January 15 and issued a resolution for checking rice market opening, Seoul-based Christian Broadcasting System reported.

Accusing the present regime of bowing to the U.S. pressure for rice import liberalization, the resolution called for blocking the "parliamentary ratification" of rice market opening.

The ralliers also denounced the authorities' opening of the financial market.

They declared they would wage a vigorous struggle against the U.S. pressure for market opening.

South's Handling of Water Pollution Issue Derided

SK1801061994 Pyongyang KCNA in English 0437 GMT 18 Jan 94

["Water Pollution Under Corrupt Politics"—KCNA headline]

[Text] Pyongyang, January 18 (KCNA)—NODONG SINMUN today denounces the crime of the Kim Yong-sam clique in causing the pollution of the Naktong river.

The commentary titled "water pollution under corrupt politics" notes that more than ten million people in Pusan and North and South Kyongsang Provinces of South Korea are suffering from a shortage of drinking water because the Naktong River is seriously contaminated with ammonia nitrogen and carcinogenic benzene, toluene and other toxic substances.

The news analyst says:

The Kim Yong-sam clique, much upset, is resorting to petty tricks to lull the resentment of the people, sending "a fact-finding team" to the spot and publishing "a message of apology to the people" in the name of the puppet prime minister. On the other hand, it is working hard to shirk the blame for the drinking water problem.

Such hide-and-seek of the puppets, however, can work on nobody at all. [sentence as received]

The South Korean people know only too well it is the Kim Yong-sam clique that has received thick bundles of banknotes from pollution-causing comprador businesses and connived at their dumping of toxic waste water into the Naktong River.

Under corrupt politics, nature and society become sick and degenerated.

With nothing can the Kim Yong-sam clique conceal its treacherous acts in turning South Korea into "the worst hell of pollution in the world" and imposing sufferings and misfortunes on the people.

South Koreans Reportedly Praise Kim Chong-il

SK1701102994 Pyongyang KCNA in English 1010 GMT 17 Jan 94

["Leader Kim Chong-il, Iron-Willed Brilliant Commander"—KCNA headline]

[Text] Pyongyang, January 17 (KCNA)—South Korean people are looking up to the dear leader Comrade Kim Chong-il as the lodestar of the nation and reunification.

A newspaper reporter in Seoul, while having a conversation with his colleagues about the situation, said: European and American big powers are conspiring with each other in putting pressure upon North Korea under the pretext of the fictitious "nuclear issue" in an attempt to stifle the socialist system of the North, but the North is braving it.

The North is demonstrating the might of the Republic entirely thanks to the outstanding guidance of the leader Kim Chong-il, the great statesman, he noted, adding:

The leader Kim Chong-il who has literary and military accomplishments is an iron-willed brilliant commander with firm faith, a distinguished great politician with correct judgment and outstanding leadership ability and a prominent leader of the international socialist movement who is guiding the movement for rebuilding socialism, standing in the centre of world politics.

A university professor in Seoul told his students: Mr. Kim Chong-il is a man with gifted qualification. He is not only a great man of learning, a great master of idea and theory but a master of political art who is leading people to social progress by applying knowledge and theory. This is eloquently proved by the course of dramatic changes in political, economic and cultural domains of the North.

It is good luck of our fellow countrymen to have held such a peerless great man as Mr. Kim Chong-il in high esteem as the lodestar of the nation.

A certain Yi in Kangso District, Seoul, told his villagers: I firmly believe that as Mr. Kim Chong-il looks after our people, the country would be reunified before long and people would be well off under his leadership. It is General Kim Il-song and Mr. Kim Chong-il who we should believe and follow.

Foreign Leaders Greet Kim Il-song on New Year

SK1501044694 Pyongyang KCNA in English 0403 GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received messages of greetings on the new year from president and head of the state of the Republic of Mali Alpha Oumar Konare, president of the Republic of Congo Pascal Lissouba, president of the Requblic of Cote d'Ivoire Henri Konan Bedie and prime minister of the Republic of St. Lucia John George Melvin Compton.

They in the messages express the hope that the friendly and cooperative relations between their countries and the DPRK will grow stronger and develop in the interests of the peoples.

Messages also came to the great leader President Kim Il-song on the new year from chairman of the People's Front of Workers, Peasants and Students of Peru Genaro Ledesma Izquieta, national secretary general of the Socialist Political Action Party of Peru Gustavo Mohme Ryona, general secretary of the Central Committee of the Revolutionary Socialist Party of Peru Guzman Rivera Castaneda, general secretary of the New Yugoslav Communist Movement Branko Kitanovic, chairman of the National Committee of the League of Communist-Movement for Yugoslavia Dragomir Draskovic, secretary general of the Central Committee of the People's Vanguard of Costa Rica Humberto Vargas Carbonel, general secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele, secretary general of the United Left Movement of Dominica Miguel Mejia and general secretary of "New Alternative" of Venezuela Guillermo Garcia Ponce.

Foreign Party Leaders Greet Kim Chong-il

SK1601085194 Pyongyang KCNA in English 0803 GMT 16 Jan 94

[Text] Pyongyang, January 16 (KCNA)—Messages of greetings came to the dear leader Comrade Kim Chong-il from foreign party leaders on the occasion of the New Year 1994.

The messages came from general secretary of the C.C. [Central Committee], Workers' Party of Bangladesh Rashed Khan Menon, President of the Bangladesh People's League Garib Newaz, General Secretary of the People's Unity Party of Tunisia Mohamed Bel Hadj Amor, General Secretary of the Congolese Communist Party Kamba Raymond, Chairman of the Slovak Communist Party Vladimir Dado, President of the National Committee of the League of Communists-Movement for Yugoslavia Dragomir Draskovic, General Secretary of the New Yugoslav Communist Movement Branko Kitanovic, General Secretary of the People's Unity Party (Unionist) of Jordan Talal Hafun Ala Mai, General Secretary of the Executive Committee of the African

Party for the Solidarity and Justice of Mali Mohamedoun Dicko, General Secretary of the Socialist Revolutionary Party of Peru Guzman Rivera Castaneda, National Coordinator of the Left Democratic Movement of Peru Oscar Ugarte Ubilluz, General Secretary of the People's Electoral Movement of Venezuela Adelso Gonzalez Urdaneta, General Secretary of the "New Alternative" of Venezuela Guillermo Garcia Ponce, General Secretary of the C.C., People' Vanguard of Costa Rica Humberto Vargas Carbonel, General Secretary of the United Left Movement of Dominica Miguel Mejia and Chairman Victor Sanchez Bilagra and General Secretary Ricardo Estigarribia of the February Revolutionary Party of Paraguay.

The messages express the hope that the Korean people will achieve success this year, too, in socialist construction and in the struggle for national reunification under the wise leadership of Comrade Kim Chong-il.

They wish Comrade Kim Chong-il good health and long life.

Further Messages From Party Leaders

SK1701044794 Pyongyang KCNA in English 0439 GMT 17 Jan 94

[Text] Pyongyang, January 17 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on the new year 1994.

The messages were sent by chairman of the African Socialist Movement of the Congo Gerard Francois Yandza, chairman of the Congolese Movement for the Construction of New Society Antonie Malonga, secretary general of the C.C. [Central Committee], Algerian National Liberation Front Abdel Hamid Mehri, President Andriantiana Rakutuvau and General Secretary Gisele Rabesahala of the Party of the Congress for the Independence of Madagascar, president of the National Executive Committee of the Left Revolutionary Union of Peru Angel Castro Lavarello and chairman of the Romanian Party for New Society Victor Voichita.

They in the messages unanimously said that they sincerely wish the Korean people greater success in the socialist construction and the accomplishment of the cause of national reunification.

They wholeheartedly wished Comrade Kim Chong-il a long life in good health.

Kim Il-song, Chong-il Receive Foreign Greetings

SK1901044894 Pyongyang KCNA in English 0413 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received messages of greetings from Prime Minister of the Commonwealth of Dominica Mary Eugenia Charles and President of the High State Committee of Algeria Ali Kafi on the New Year.

The great leader President Kim Il-song also received greetings from President of the Pakistan Socialist Party C.R. Aslam, Chairman of the Workers' Party of Turkey Dogu Ferincek and General Secretary of the Central Executive Committee of the Bangladesh National Socialist Party Hasanul Huq Inu.

New Year's messages of greetings came to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from Chairman of the Danish Workers' Party, Common Cause Preben Moller Hansen, Chairman of the C.C., Communist Party-KPML(R) of Sweden Frank Baude and National Chairman Michael O'Riordan, General Secretary James Stewart and International Secretary Eoin O'Murku of the Communist Party of Ireland.

Foreign Press Reports Kim Il-song's 1994 Address

SK1701102894 Pyongyang KCNA in English 1004 GMT 17 Jan 94

[Text] Pyongyang, January 17 (KCNA)—Foreign media gave publicity to the New Year address of the great leader President Kim Il-song.

It was carried by papers NHAN DAN, QUAN DOI NHAN DAN and HANOI MOI of Vietnam, YANBIAN DAILY of China, CAMBODGE of Cambodia, BEOPAR and NIDA-E WAQT of Pakistan, BASY VAVA of Madagascar, MONITOR of Ethiopia, HOROYA of Guinea, AURORE of Mali, THE REPUBLIC, SUNDAY CHAMPION and CONCORD of Nigeria, THE DAILY TOPIC, the NEW VISION, THE MONITOR, and UGANDA EYOGERA of Uganda, AL-SHARQ and AL-LIWAU of Lebanon, LA NATION and ETINCELLE of Zaire, PEOPLE'S VOICE OF ZIMBABWE, MFANYAKAZI of Tanzania, MAY 22 of Yemen, AL MAOQIF of Tunisia, NOTICIAS DA AMADORA of Portugal and EL MATUTINO of Peru.

AKP News Agency and Radio Voice of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia Party] of Cambodia, TV of Laos, Koryo-language radio of Kazakhstan, AMP News Agency of Madagascar, The News Agency of Guinea, Radio People of Denmark and radios of Nicaragua, too, reported the New Year address.

They said that President Kim Il-song in his New Year address referred to the achievements made in the socialist construction last year and to the tasks for this year and clarified the principle and way for reunifying Korea, the way for a solution of the nuclear issue on the Korean peninsula and DPRK's foreign policy.

Other Media Report Address

SK1901111894 Pyongyang KCNA in English 1033 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—The New Year address of the great leader President Kim Il-song was reported by foreign media.

The Libyan paper AL JAHAF AL AHDAR carried part of his New Year address elucidating a solution of the nuclear issue on the Korean peninsula.

The paper noted in the preface that the nuclear issue on the Korean peninsula is related to the maneuvers of the United States.

Last year the U.S. and its followers, it said, led the situation on the Korean peninsula to the brink of war by inventing the "suspicion of nuclear development by North Korea" in an attempt to stifle Korean-style socialism centred on the masses.

However, the Korean people who have experienced the superiority of socialism to capitalism through their life rose as one to defend their choice, gains, national dignity, the country and its independence and countered the moves of the enemy by declaring withdrawal from the Nuclear Nonproliferation Treaty and a semi-war state, the paper pointed out, and added:

Their response was an unexpected, surprising blow to the provokers.

The nuclear issue on the Korean peninsula can cover be solved by means of pressure and threat.

The New Year address was also reported by newspapers and radios of India, Zambia, the Netherlands, Britain, Nepal, China, Burundi, Guyana, Nicaragua, Costa Rica and Yemen.

The Cameroonian paper LE CHEMIN carried the full text of the address.

Iranian Foreign Ministry Delegation Arrives

SK2301000494 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 22 Jan 94

[Text] An Iranian Foreign Ministry delegation led by Deputy Foreign Minister Manuchehr Mottaki arrived by plane in Pyongyang on 22 January. The delegation was met at the airport by Cho Kyu-il, vice foreign minister, and the Islamic Republic of Iran's charge d'affaires to our country.

Chongnyon Official Leaves Pyongyang on 15 Jan

SK1501113794 Pyongyang KCNA in English 1046 GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—Vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Kwon Sun-hui left here today after visiting the socialist homeland.

Cuban Official Sends Solidarity Message

SK1601085894 Pyongyang KCNA in English 0805 GMT 16 Jan 94

[Text] Pyongyang, January 16 (KCNA)—The president of the National Assembly of People's Power of Cuba, Ricardo Alarcon de Quesada, voiced full support for the policies for national reunification clarified by the great leader President Kim Il-song in his New Year address.

In a solidarity message to chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea Yang Hyong-sop, he said the Korean people would be always fully supported by the Communist Party, Government and people of Cuba.

He expressed the belief that friendship and solidarity between the Cuban and Korean peoples united closely with each other in the common struggle against the imperialists' aggressive moves and for socialist construction would further develop with each passing day.

Cuban Lawyer Departs for Home 13 Jan

SK1701073894 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 13 Jan 94

[Text] Cuban woman lawyer (Kandilria Rodriguez) departed for home by plane on 13 January. Seeing her off at the airport were Chon Yon-ok, vice chairman of the Committee for Cultural Relations with Foreign Countries; and Juan Jose Leon Vega, ambassador of the Republic of Cuba to our country.

Country Made Member of UNESCO Asian Bureau

SK1901051894 Pyongyang KCNA in English 0424 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—The DPRK became a member of the bureau of the Asia-Pacific group in the United Nations Educational, Scientific and Cultural Organization (UNESCO), according to a report from Kathmandu Monday.

It was elected first vice-chairman at a meeting of the nine-member bureau some time ago.

WPK Greets British Communist Party Leader

SK1601090194 Pyongyang KCNA in English 0807 GMT 16 Jan 94

[Text] Pyongyang, January 16 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings to Eric Trevett upon his reelection as general secretary of the Central Committee of the New Communist Party of Great Britain.

Expressing the belief that the relations of friendship and cooperation between the two parties would continue to develop on good terms, the message wished the general secretary greater success in his responsible work for defending socialism and strengthening the party.

Premier Sends Condolences to Norway's Brundtland

SK1901112094 Pyongyang KCNA in English 1036 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Premier Kang Song-san of the Administration Council sent a message of condolence to Norwegian Prime Minister Gro Harlem Brundtland.

Upon hearing the sad news that Norwegian Foreign Minister Johan Jorgen Holst died from illness, the message expressed deep condolences to the bereaved family.

Indonesia's House, DPRK's SPA Form Ties

SK1901051994 Pyongyang KCNA in English 0426 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—A deputies' group for bilateral cooperation between the House of Representatives of Indonesia and the Supreme People's Assembly of the DPRK was formed with a due ceremony in Jakarta on Jan. 12.

The Indonesian House Speaker made a congratulatory speech at the ceremony before the formation of the group was declared.

Next day a friendship gathering with the group members was arranged at the DPRK Embassy in Jakarta.

Indian Paper Urges Settling 'Comfort Women' Issue

SK1801151694 Pyongyang KCNA in English 1502 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—THE INDIAN TIMES January [word indistinct] urged the Japanese Government to properly solve the "comfort women" problem.

The paper said the problem is liable to "charges of the violation of human morality" under international law.

The atrocities of the Japanese imperialists in reducing nearly 200,000 innocent Korean women in their teens and twenties to sexual slaves for the "imperial Army" and violating them and brutally [word indistinct] them were the most heinous crimes without precedent, said the paper.

The "comfort women" issue can by no means be buried in oblivion by a "humanitarian relief fund" or by a political tieup, it noted.

The main point in the solution of the issue is for Japan to make an overall investigation into the truth of the crimes, make public its results and make an honest apology and adequate compensation, the paper stressed.

Guinea, Indian Officials Support 'Just Cause'

SK1801102594 Pyongyang KCNA in English 1003 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—Party leaders of Guinea and India voiced support for the just cause of the Korean people.

El Hadj Boubacar Diallo, general secretary of the Party for Unity and Progress of Guinea, when meeting with the Korean ambassador to his country, fully supported the policy of national reunification reiterated by the great leader Comrade Kim Il-song in his New Year address and the 10-point programme of the great unity of the whole nation.

The United States must know the dear leader General Kim Chong-il and the Korean people, he said, adding: No matter how hard the United States may work it cannot overpower the might of the people in Korea where the leader, the party and the masses are united in one mind.

U.P. Singh, member of the parliament and leading member of the Socialist Party of India, when meeting a delegation of the chuche Idea Academy from Korea, said the Socialist Party of India rejoiced over the fact that Korea is confidently pushing ahead with the socialist movement under the guidance of the great leader President Kim Il-song and His Excellency Kim Chong-il.

The Socialist Party of India, he noted, is following with keen interest the socialist theory and practice of Korea and fully supporting the Workers' Party of Korea's theory of remoulding men, the theory of firmly uniting the working masses around the party in particular.

Angolan President Receives DPRK Ambassador

SK1901044694 Pyongyang KCNA in English 0410 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Angolan President Jose Eduardo dos Santos received the Korean ambassador to his country on January 14 and said his government and people would invariably support the Korean people's cause of national reunification.

He sincerely congratulated the Korean people on their achievements last year in the struggle for resisting the political and military pressure of the imperialist allied forces and achieving national reunification under the wise leadership of President Kim Il-song and Comrade Kim Chong-il.

Legislative President of Cote d'Ivoire Greeted

SK1901111994 Pyongyang KCNA in English 1034 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, sent a message of greetings to Charles Bauza Donwahi upon his election as president of the National Assembly of Cote d'Ivoire.

Expressing the belief that the friendly relations between the two parliaments will develop in the interests of the two peoples, the message wished him success in his responsible work.

Peruvian Party Said To Support Socialist Cause

SK1901111094 Pyongyang KCNA in English 1019 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—The General Secretary of the Socialist Party of Peru, Luis Mateo Munos, received the Korean ambassador to Peru on January 10 and said his party expressed unquestionable support and solidarity for the socialist cause of Korea.

He said the great leader Comrade Kim Il-song in his New Year address gave a most wise and clear exposition of the nation's economic construction, national reunification and foreign policies.

"Though the imperialists are now clamouring about the 'end' of socialism, socialism is alive and it is developing in Korea, demonstrating its might more eloquently with each passing day," he said.

He stressed that the world must defend Korea, the bastion of socialism, and learn from it.

"The Socialist Party of Peru expresses deep respect and reverence for the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who are leading the world politics with the most wise and just scientific idea and theories and practical activities," he declared.

Film Show Opens To Commemorate Palestine Revolution

SK1901051694 Pyongyang KCNA in English 0423 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—A film show was held here Tuesday to mark the 29th anniversary of the start of the Palestinian revolution.

Invited there were Palestinian Ambassador to Korea Shahir Mohammed and his embassy officials.

Chu Song-il, chairman of the C.C. [Central Committee], the General Federation of Trade Unions and chairman of the Korean-Palestinian Friendship and Solidarity Committee, and other officials concerned were present at the show together with working people in the city.

The participants saw Korean documentary and feature films.

Kim Chong-il's Economic Guidance Lauded

SK2201030694 Pyongyang Korean Central Broadcasting Network in Korean 0324 GMT 21 Jan 94

[Unattributed talk: "He Is Endlessly Glorifying History of Great Upsurge in Socialist Construction"]

[Text] At the 21st plenary session of the Sixth Party Central Committee, the great leader Comrade Kim Il-song, recalling with deep emotion the historic days when the great Chollima upsurge was registered in our country, taught that we should vigorously advance by adding the speed of the nineties to the revolutionary spirit of self-reliance displayed at the time.

In the New Year address, he designated this year as the year of revolutionary turn when socialist construction in our country will enter a new development stage, and as the year of rewarding struggle for the entire party, the whole country and all people to effect a great revolutionary upsurge on all fronts by fully mobilizing themselves.

Seeing the spirit of struggle of party members and working people, who have risen in the rewarding struggle to effect a new, great upsurge, we again realize that the great Chollima upsurge, which the great leader personally initiated, has been led to a constant upsurge thanks to the energetic leadership of the dear leader Comrade Kim Chong-il. We recall these proud annals of our revolution with emotion.

Comrade Kim Chong-il, the dear leader of our party and people, has indicated: We should effect a great upsurge and a great leap in socialist construction by upholding the revolutionary banner of the chuche idea—the red banner of revolution. Thus, we should resolutely break the spearhead of the enemy's attack which is directed at us and should fully demonstrate the true nature of chuche Korea and the might of socialism.

When we look back upon the history of great upsurges in socialist construction, we come to recall, first of all, the great Chollima upsurge. Initiated under the wise leadership of the great leader, the consistently carried out great Chollima march brought about great reform, in cataclysmic change, by compressing time, and opened a great era of prosperity and development.

The dear comrade leader said during his visit to the land of Kangson during the initial stages of the great Chollima upsurge, that he was greatly encouraged by all that he had heard about the resolution of the working class, and that he firmly believes that the working class in Kangson will repay the great leader's lofty trust and expectations without fail.

While assisting the leadership of the great leader who constantly gave on-the-spot guidance, the dear comrade leader was keenly aware of the loyalty of the working class to the party throughout the country and of the boundless creative power of the popular masses. Thus, he consolidated the will to constantly succeed with the history of great upsurge on this land.

The will cherished by the dear comrade leader when the tradition of great revolutionary upsurge was provided in our country has been embodied as refined leadership from the late 1960's to the present. As a result, great upsurges were constantly created in the history of socialist construction in our country.

To cope with the extremely strained situation in the later part of the 1960's, the great leader put forward the line of simultaneously advancing economic construction and national defense construction. During that time, the dear leader Comrade Kim Chong- il wisely led the struggle to effect a new great revolutionary upsurge in socialist construction.

While meeting with functionaries of science and education department of the party Central Committee in June 1967, the dear comrade leader gave scientific answers to theoretical and practical problems raised in socialist economic construction in a statement on correctly comprehending political and moral stimulation [chaguk] and material stimulation. The dear comrade leader gave the scientific explanation that in a socialist society, priority should be given to political and moral stimulation, that this stimulation should be supported by material stimulation, and that in socialist society, importance should be attached to speed above all else, so that speed is regarded as the basic factor. As a result, an ideological and theoretical guideline enabling us to effect a new great revolutionary upsurge in all domains of economic construction and national defense construction was provided.

In July 1967, the dear comrade leader expounded upon the direction of ideological work to inspire all people to the great upsurge. He emphasized that all functionaries and workers should highly display the revolutionary spirit of self-reliance and arduous struggle, vigorously wage the technological revolution by producing to the maximum and saving to the maximum, and more actively carry out the Chollima workteam movement.

In July 1967, while giving guidance to the work of Kangson steel plant, dear comrade leader became aware of the lofty revolutionary zeal of the working class. As soon as he returned to the party Central Committee that day, he prepared militant slogans, including "Let us effect a great revolutionary upsurge once again by continuously accelerating the great Chollima march," and encouraged functionaries of the party Central Committee to go down to the lower echelons to carry out political work with these slogans.

Visiting the working class in Yongsong in August 1967, dear comrade leader concretely explained the essence and significance of the party's new policy for effecting a great revolutionary upsurge. He encouraged and inspired the working class in Yongsong to advance at the van of the great revolutionary upsurge by proudly cherishing deep trust by the great leader.

Thanks to the wise leadership of dear comrade leader, the flames of the great revolutionary upsurge, which were set ablaze by the great leader among the working class in Yongsong, became more fiercely aflame across the country, and a new great upsurge was effected on all fronts of economic construction and national defense construction.

Our revolution, facing a new period in the 1970's, was raised onto a high stage when the slogan on remodeling the entire society on the chuche idea was put forward and implemented and socialist construction was developed into a great majestic battle.

This reality urgently raised the demand not only for firmly maintaining the already accomplished revolutionary upsurge in socialist construction, but also for enhancing it to an even higher stage.

With uncommon wisdom and scientific insight, dear leader Comrade Kim Chong-il keenly realized the matured demand of revolutionary development and revolutionary aspirations of the popular masses. By putting forward a unique and outstanding idea on the speed battle, he vigorously inspired the entire party, the whole country, and all the people to the march of the speed battle—a new general march for victory in the great socialist construction battle.

The speed battle is a basic combat formula to push ahead with all works in a lightning manner and is a revolutionary principle for implementation of work. The basic demand of the speed battle is to push for work with maximum speed by mobilizing all forces and to ensure the high-quality of the work. The basic method for vigorously carrying out the speed battle is to push ahead vigorously with the ideological and technological revolution and to support organizational guidance work. Let us all rise in the speed battle.

Since ideas and theories pertaining to the speed battle and the party's slogans containing such ideas and theories were put forward, the history of the great upsurge in socialist construction in our country, which proudly decorated the fifties and the sixties with the great Chollima march, became more brilliant in the seventies with the majestic march of the speed battle.

The march of the speed battle was a new march of our people who accelerated socialist construction by pushing ahead with all work in a lightning manner and with incomparable speed, which was more speedy than the hurricane-like speed of the era of great Chollima upsurge. This march was a great all-people march, which advanced with uncommon speed and with the spirit of adding the speed battle to Chollima.

With the beginning of the majestic march of the speed battle, our socialist construction effected a new upsurge. The flames of the speed battle enabled us to create a new Chollima speed, such as the speed of 70-day battle, and to register a miracle of accomplishing the six-year national economic plan far ahead of schedule.

The flames of the speed battle fiercely blazed in the eighties, and enabled us to build on this land everlasting monumental creations throughout the country, including a 10,000-ton press in Yongsong, a large-size oxygen separator in Nagwon, the Tower of Chuche Idea, the Gate of Triumph, the Great People's Study Hall, Changgwang Street, Samchong Square in Komdok, and Sohae Lockgate.

The policy of the speed battle, whose might has already been displayed through practice, is demonstrating greater vitality every day. The bugle sound of the speed battle has become a powerful force of pushing for the struggle to achieve the party's revolutionary economic strategy.

The great revolutionary upsurge, which our people should effect to achieve brilliantly the party's revolutionary economic strategy; and the great revolutionary upsurge, which our people should create anew with the might of the single-hearted unity and with the revolutionary spirit of self-reliance, is the optimistic and trustworthy revolutionary upsurge due to the iron-clad will and refined leadership of the dear leader Comrade Kim Chong-il, who is a genius of revolution and construction.

Just as our people effected the great Chollima upsurge by upholding the lofty intention and wise leadership of the great leader Comrade Kim Il-song, a new great revolutionary upsurge will be effected on this land without fail, because of the might of the people who are firmly united with the dear comrade leader.

Thus, we will smash antisocialist maneuvers of the enemy and will demonstrate to the entire world once again the firmness and might of popular mass-centered socialism of our own style.

Soldiers Praise Kim Chong-il in Writings

SK1701051494 Pyongyang KCNA in English 0445 GMT 17 Jan 94

[Text] Pyongyang, January 17 (KCNA)—A large number of literary and art works praising the dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], have been created and published by officers and men of the KPA.

More than 700 poems, songs and novels were created and published last year alone.

The works emphatically sing of the great honor and happiness of the soldiers of the Korean People's Army who are advancing along an ever-victorious road under the leadership of Comrade Kim Chong-il, an iron-willed brilliant commander possessed of extraordinary military intelligence and great commandership, and of their steadfast faith and fiery pledge to remain unfailingly loyal to comrade supreme commander, wholly entrusting their destiny and future to him.

A lengthy epic "Our Supreme Commander" tells about the immortal feats performed by Comrade Kim Chong-il last year in dealing consecutive blows at the anti-DPRK, anti-socialist moves of the enemies and defending the destiny of the country, the destiny of socialism by wisely leading the whole party, alw the country and the entire people with his iron will, matchless grit and rare leadership ability.

A lyrical epic "The Eternal Sun of Life", a lyric "Orders of Love", a song "We Feel Warm", a short story "Benevolence" and other works show the noble virtues of comrade supreme commander who always takes warm, paternal care of the soldiers of the People's Army.

A long poem "We Will Win Loudly Shouting Long Live General Kim Chong-il", a lyric "Under the Leadership of Supreme Commander" and other works reflect the determination of the People's Army soldiers to consolidate rock-firm the singlehearted unity of the whole Army around comrade supreme commander and creditably guarantee the cause of the party, the cause of socialism with arms.

Daily Calls 1994 'Year of Revolutionary Advance'

SK1801105094 Pyongyang KCNA in English 1033 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—The entire party members and other working people must make this year a year of great historic advance in the revolution and construction in our country and more powerfully display the advantages and might of our-style socialism by making uninterrupted advance and continued innovations, full of confidence and optimism, says NODONG SINMUN in a by-lined article today.

The article goes on:

That 1994 is a year of revolutionary advance in the revolution and construction in our country means, first of all, that this year is a historic year when the might of the party and revolutionary ranks will be more remarkably strengthened than ever before.

The dear leader Comrade Kim Chong-il put forward the militant tasks to be carried out in the struggle to strengthen the might of our party and revolutionary ranks this year on the basis of the brilliant victory and achievements made in the party building and the accomplishment of the revolutionary cause under the slogan of modelling the whole party and the whole of society on the chuche idea.

The might of the singlehearted unity of our party and revolutionary ranks will be further strengthened this year through the thorough implementation of these precious ideological and theoretical policies laid down by the dear leader.

That 1994 is a year of revolutionary advance in the revolution and construction in our country means that this year will be a historic year when our socialist economic construction will enter a new stage of development in accordance with the revolutionary economic strategy advanced by the party.

This year is a significant year in the history of our socialist construction as a powerful drive will be waged to secure a new base for reaching higher levels of socialism according to the revolutionary economic strategy of our party.

It is a year of worthy struggle for the entire party, the whole country and all the people to make an all-out effort and effect a great revolutionary upsurge. This is because the revolutionary economic strategy of our party is a popular economic strategy run through with the spirit of deep love for and devoted service to the people, and the economic strategy of chuche to firmly defend our-style socialism, the life and soul.

Our fighting target and tasks in the new year are clear and all the conditions and possibilities for their materialisation are fully guaranteed.

Daily Calls For Solidarity of 'Popular Masses'

SK1801104994 Pyongyang KCNA in English 1026 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—The desire of the popular masses to live in a free and peaceful world, freed from domination and subjugation, exploitation and oppression, can be realized only through the cause of independence of the popular masses, the cause of socialism, says NODONG SINMUN in an article today. The article headlined "Guarantee for Moving Up Bright Future of Mankind" reads in part:

The great leader President Kim Il-song in his New Year address said if the progressive people of the world promote historical development by strengthening their unity and solidarity under the banner of independence against imperialism, they shall soon be able to shape a bright future for humanity.

The imperialists are now intensifying political, economic and military pressure to stifle the countries going forward under the banner of socialism and are intensifying their maneuverings to dominate and interfere in the affairs of the developing countries aspiring after socialism.

To strengthen unity and solidarity is a firm guarantee for the world progressive people to smash the imperialists' moves. It stands out with greater urgency because the imperialist reactionaries are becoming undisguised in their attempt to beat one by one the progressive countries advancing toward independence, sovereignty and socialism.

Unity and solidarity are a most powerful weapon for the cause of independence, the cause of socialism, and a decisive guarantee for victory. To strengthen it, it is essential to adhere to the principle of independence, equality and mutual respect.

It is necessary to strengthen the unity and solidarity of the revolutionary parties struggling for the victory of the cause of independence, the cause of socialism, of the popular masses.

The Pyongyang declaration serves as a banner under which international unity and solidarity can be strengthened in the struggle for socialism.

Independence, peace and friendship are the basic idea of the foreign policy of the Workers' Party of Korea and the Government of the Democratic People's Republic of Korea.

The Korean people value their unity and solidarity with all the progressive people of the world aspiring after independence, sovereignty and socialism and will, in the future, too, give strong impetus to the trend of history by strengthening unity and solidarity with them.

'Talk' Lauds Might of Single-Hearted Unity

SK2401102294 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 24 Jan 94

[Unattributed talk: "Single-hearted Unity Is a Decisive Guarantee for Victory in the March This Year"]

[Text] The entire country is filled with the heightened revolutionary ardor of party members and workers who are participating in the combat in the new year in hearty response to the great leader Comrade Kim Il-song's New Year address.

A decisive guarantee for victory in the march this year is to defend our rock-solid single-hearted unity around the party and the leader [suryong] as the most precious thing and demonstrate the might of this unity more highly.

The great leader Comrade Kim Il-song has taught: We must defend the single-hearted unity of our revolutionary ranks, which has been consolidated rock-solid under our party's leadership, as the most precious thing and further consolidate and develop it.

Single-hearted unity is our revolution's immortal, honorable tradition and a great banner of victory. Our people have been able to victoriously overcome all difficulties and trials on the revolutionary road and march forward and build a powerful independent, self-sufficient socialist country capable of self- reliant defense in this land because they have waged struggles like heroes after strongly uniting around the party and the leader [suryong].

Last year, when stern trials faced the fatherland and reunification, our people honorably defended the socialist fatherland's dignity and safety and won a great victory in socialist economic construction. This was possible because there was the might of single-hearted unity.

Only when we resolutely defend the honorable tradition of single-hearted unity and continuously and highly demonstrate its might, can we fully demonstrate the superiority of socialism of our own style and complete the chuche-oriented socialist cause to the end in any storm.

More strongly consolidating single-hearted unity among our revolutionary ranks is all the more important a demand in connection with our revolution's environment and our massive tasks. The imperialists and reactionaries are strengthening their offensives on an unprecedented scale in the political, economic, military, and diplomatic fields and all other fields to isolate, stifle, and crush [korip chilsik apsal] our Republic, which is marching under the uplifted banner of socialism. The situation in our country is still tense and complicated because of the enemy's anti-Republic, antisocialist maneuvers, and numerous difficulties face us. We must fly the banner of single-hearted unity more highly if we are to score revolutionary upsurges by waging the struggle to thoroughly implement the party's revolutionary economic strategies under these circumstances.

Single-hearted unity is a source of the vitality of socialism. When our people implement our party's revolutionary economic strategies after strongly uniting around the party and the leader [suryong], the imperialists' anti-Republic, antisocialist commotions will quiet down, and our people will be able defend and maintain socialism of our own style and glorify it to the end.

The tasks of all fields of socialist construction this year are heavy and massive. As the great leader has elucidated in his New Year's address, we must thoroughly implement the revolutionary lines of self-dependence, self-support, and self-reliant defense to comply with the prevailing situation and the requirements for the development of our revolution. They must also vigorously carry out the three revolutions, ideological, technological, and cultural, to further strengthen the country's political, economic, and military might.

Our party's revolutionary economic strategies presented at the 21st plenary meeting of the Sixth party Central Committee are the most just and revolutionary lines for consolidating a basis for a self-reliant rock-solid national economy and further improving the standard of living to meet socialist demands. When we thoroughly implement these strategies, we will be able to more vigorously demonstrate the superiority of socialism of our own style and take new attack bases for conquering higher peaks in socialism.

We must continuously and strongly adhere to the agriculture-first policy, the light industry-first policy, and the foreign trade-first policy this year. We must also give top priority to the coal industry, the power industry, and railway transportation, which are the leading sectors of the people's economy, and continuously develop the metallurgical industry. They must also achieve new development in all fields of socialist cultural construction and exert due efforts to strengthen the country's defensive capability in response to the enemy's war provocation maneuvers.

If we are to implement these massive tasks successfully, we must defend our single-hearted unity as the most precious thing and more highly demonstrate its might. Our single-hearted unity is single- hearted unity in ideology and in action in which the entire party and all the people absolutely worship [sungbae] and follow the great leader [suryong], and the great leader [yongdoja].

When we highly display the might of such great single-hearted unity unprecedented in history, there will be no difficulty that we cannot overcome or stronghold that we cannot occupy.

The road to destroying in every step vicious anti-Republic and antisocialist maneuvers of the imperialists and reactionaries and the road to highly demonstrating the spirit of chuche Korea are to highly display the might of single-hearted unity. The road to consolidating the foundation of the nation's self-supporting economy by vigorously accelerating the socialist general march is for all people to struggle with single-hearted unity with the party.

The idea on further strengthening the single-hearted unity of our revolutionary ranks, expounded by the great leader Comrade Kim Il-song in the New Year's address, is a precious guideline that provided a decisive guarantee for victory of this year's combat.

This idea reflects the great leader's lofty intent to make this year the year of historic turn in the revolution and construction in our country by more highly displaying the might of our single-hearted unity, which the entire party, all the people and the whole Army have attained by firmly rallying themselves behind the great leader [yongdoja].

All party members and working people should further consolidate and develop our single-hearted unity in conformity with the demand of the prevailing situation and development of the revolution, and should brilliantly achieve the militant tasks elucidated by the great leader Comrade Kim Il-song in the New Year's address. Thus, we should register greater victory in the struggle to advance the socialist cause of our own style.

It is important, above all, for all party members and working people to deeply realize the greatness of the leader [yongdoja] and to have thoroughgoing faith to absolutely trust and follow only their leader [suryong] and their leader [yongdoja] under any circumstance.

The might of the unity of the revolutionary ranks is the might of solid faith of all people toward the leader. Comrade Kim Chong-il, our dear leader, is the matchlessly great man who has both literary and military achievements and who has loyalty and filial piety. He is destiny and future of our fatherland, our people and our-style socialism.

Through proud realities of our revolution, which advances without wavering even a slight degree in the midst of worldwide upheaval, all party members and working people should be keenly aware of how the great leader [yongdoja] we are upholding is at the van of the party, the revolutionary ranks and revolutionary armed forces.

We should uphold the dear comrade leader with loyalty and filial piety by cherishing the iron-clad belief that because there is the leader [yongdoja], there is the nation, and their own happiness and everlasting prosperity of the future generations are insured.

The great chuche idea is an ideological basis of our single-hearted unity. All the people should firmly insure consistency of their ideologies and actions in accordance with the demand of the chuche idea. Herein lies the invincible might of our single-hearted unity.

Deeply realizing that the chuche idea is the life of our-style socialism, party members and working people should more firmly arm themselves with the chuche idea. Our single-hearted unity is a powerful driving force in socialist construction, and its might should be fully demonstrated in the practical struggle to accelerate the socialist economic construction.

In today's rewarding struggle to further consolidate the foundation of the nation's self-supporting economy, to upgrade the people's standard of living, and to hold a new offensive position to occupy a higher height of socialism, we should fully display the might of our people's firm unity with the party and the leader [suryong].

By highly displaying the sense of unbounded devotion to the party and to the revolution and the revolutionary spirit of self-reliance and arduous struggle, all party members and workers should timely fulfill and without fail national economic plans assigned to them.

For us to glorify our-style socialism with the might of single-hearted unity, we should more brilliantly bloom the communist fine custom overflowing in the whole society. The revolutionary traits of our people, who are firmly united as one with the party and the leader, should be vigorously demonstrated in highly displaying the communist fine custom, in which all members of society help and lead each other according to the collectivist principle, "One for all, all for one."

The single-hearted unity is our most powerful weapon and strength in defending, protecting and accomplishing our-style socialism to the end. As long as there are the wise leadership of the party and the leader, and the single-hearted unity of the people, who are rallied behind the great leader [suryong] and great leader [yongdoja], there is nothing that we should be afraid of in this world.

All party members and working people should advance by more highly upholding the banner of single-hearted unity with sense of confidence and courage. Thus, we should again demonstrate the unswerving spirit of heroic Korea in this year's socialist general march.

Workers Vow To Step Up 'March of Socialism'

SK1601090694 Pyongyang KCNA in English 0811 GMT 16 Jan 94

[Text] Pyongyang, January 16 (KCNA)—Workers of workshops and workteams of industrial establishments and farmers of cooperative farms in Korea held meetings to vow to implement to the letter the militant tasks set forth by the great leader President Kim Il-song in his New Year address.

The speakers said that the New Year address of President Kim Il-song is a highly important guideline to which the Korean people should hold fast this year. They called for stepping up the general onward march of socialism in the revolutionary spirit of self- reliance and hard struggle by further strengthening the might of singlehearted unity.

They said that they would successfully fulfil this year's plans for socialist economic construction by making continued innovations and uninterrupted advance in the spirit of Chollima spurred on by the "speed of the '90s" under the militant slogan "Let us hasten the general march of socialism in the revolutionary spirit of self-reliance and fortitude".

They declared that they would, with unfailing loyalty to the party and the leader, make continued innovations and uninterrupted advance in the fighting spirit which was displayed during the rigorous war and in the same spirit and stamina with which they brought about a great upsurge of Chollima in the difficult post-war period and thus make 1994 a year of historical advance in the Korean revolution and construction.

KCNA Describes Countries' 'Communist Morality'

SK1701104694 Pyongyang KCNA in English 1021 GMT 17 Jan 94

["Korea Pervaded With Feelings of Kinship"—KCNA headline]

[Text] Pyongyang, January 17 (KCNA)—A beautiful communist morality has come into full bloom in Korea where many people have brought home and taken good care of orphaned children and old folks with no one to rely upon like their real parents and real sons and daughters.

Last year, An Kwang-nam, a worker of the Kangso District coal mining complex, Chong Myong-il, a worker of the Uiju County urban management office in North Pyongan Province, and many other people adopted orphaned children and brought home lonely old men and women and took utmost care of them.

The great leader President Kim Il-song, long ago, put forward the slogan "One for all and all for one!" and has made sure that a beautiful communist morality of helping and leading each other forward pervades the whole country.

At the national meeting of mothers held in November 1961 he highly estimated Yi Yong-suk, a woman in Sunchon City, South Pyongan Province, who adopted and brought up nine war orphans during the fatherland liberation war, saying her example should be generalized throughout the country, and saw to it that the title of labour heroine was awarded to her.

Kim Hui-chong, a labour heroine living in Taetan County, South Hwanghae Province, brought up 15 children of fallen fighters to be reliable officials of the country.

Kim Yun-yong, principal of the Pyongyang Sangdang Primary School, Yi Hwa-yong, secretary of the primary party committee of the welfare cooperative in Waudo District, Nampo municipality, Wi Hwak-sil, a resident in Kumchon County, North Hwanghae Province, Hwang Pi-pong, a worker of the Nahung washing machine factory in Iwon County, South Hamgyong Province, and many others also became parents of orphaned children and brought home and look after old men and women with no one to support them.

The dear leader Comrade Kim Chong-il highly estimated their deeds and sent benevolent gifts to them. Last year, he praised as a very good party worker and extended thanks to Chang Sa-hong, secretary of the primary party committee of an organ under the General Bureau of Western Railways, who had taken warm care of the son and daughter of a worker who died, giving more thought to them than to his own children.

Indeed, there is not a single orphan, not a single lonely old person in the Democratic People's Republic of Korea where the leader, the party and the masses are united in one mind and the entire people form one big family.

Buddhists Hold Masses for National Reunification

SK1901110894 Pyongyang KCNA in English 1011 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Buddhist masses for national reunification were held at temples throughout the country today on the day of Buddha's attainment of great wisdom.

The masses were attended by monks of the temples, believers and clergymen from the Central Committee of the Korean Buddhists Federation and its provincial, city and county committees.

The preachers said that in order to realise the idea of "getting rid of the pain and attaining happiness," the basic idea of Buddhists, it was imperative to reunify the country at an early date.

They stressed that the country should be reunified in the form of a confederation and the best way to it was to implement "10-point programme of the great unity of the whole nation for the reunification of the country" laid down by respected President Kim Il-song.

They called on all the Buddhists in the North, South and overseas to closely unite with each other under the banner of great national unity and make a tangible contribution to the cause of national reunification, thus achieving the reunification in the '90s without fail.

Electric Power Complexes Increase Production

SK1501152094 Pyongyang KCNA in English 1502 GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—The electric power producers in Korea are boosting the output to carry out the task put forward by the great leader President Kim Il-song in his New Year address.

According to data available at the State Commission of the Electric Power Industry, the electric power outfit in the first ten days of this month was 11.8 percent above that in the same period of last month—a gain of 18 percent at the thermal power plants and 80,000 kwh at the hydraulic power stations.

The Pukchang thermal power complex has lifted its electric power output 74,000 kwh on a daily average in the new year above that in the same period of last month by tightening the links between processes and operating every generator at full capacity.

The Pyongyang thermal power complex and the Sunchon thermal power plant raised the output of steam and power in the latest ten days more than 20 percent above the same period of last month by improving the technical management of the equipment.

The Kanggye Youth, Changjingang, Hochongang and other hydraulic power stations keep a high and steady rate in production through better adjustment of the generating equipment and increase of the efficiency of the turbines.

Final Damming Project on Tideland Completed

SK1401151594 Pyongyang KCNA in English 1502 GMT 14 Jan 94

[Text] Pyongyang, January 14 (KCNA)—The final damming project on the Chongsu Islet tideland was completed successfully in Korea in the new year.

The nature-remaking project is to reclaim 1,000 hectares of land by building a dam linking Sikyo-ri, Chongsu Islet and Tungam-ri in Kangyong County, South Hwanghae Province.

The project has increased the area of cultivated land and changed the coastline and looks of the country.

The builders of the South Hwanghae Provincial Chongdan General Tideland Reclamation Enterprise who were in charge of the project had overfulfilled the daily plan by more than 70 percent on an average in the whole period of the project by boosting the utility rate of transport means and actively introducing new construction methods.

Cement Production Said Constantly Increasing

SK1801044594 Pyongyang KCNA in English 0410 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—Cement production is on the constant increase in Korea.

The Sunchon cement complex produced 20,000 more tons of cement and the Haeju cement factory 5,600 more tons in the first 17 days of January than in the same days last year.

The Sangwon cement complex is topping its daily assignments by 20 percent by keeping all the kilns at full-capacity operation.

The February 8 cement complex, the Chonnaeri cement factory and other cement producers are honoring their daily assignments by organizing production efficiently.

Production has been lifted to a high rate at more than 200 minor cement factories in different parts of the country.

The Songsan, Sindok, Madong and other limestone mines, the Sunchon and Kangdong District coal mining complexes and other coal mines are supplying limestone and coal to cement factories in time.

Achievements in Railway Transport Reported

SK1801102694 Pyongyang KCNA in English 1007 GMT 18 Jan 94

[Text] Pyongyang, January 18 (KCNA)—The railway transport workers of Korea are registering significant achievements in their efforts to carry out the tasks set forth by the great leader President Kim Il-song in his New Year address.

According to data available at the Ministry of Railways, 120,000 more tons of freight than in the last fifteen days of 1993 were transported in the first half of January.

In this period the General Bureau of Kaechon Railways carried 45,000 more tons of freight by organising and commanding transportation meticulously and cutting the stoppage time of waggons.

The General Bureau of Eastern Railways has fulfilled its daily quotas at 113.1 percent.

The General Bureau of Western and Northern Railways carried 2,000 to 3,000 more tons of freight than their daily assignments through effective control of equipment and technical control and energetic "drive for extra-haulage on schedule without accident to implement the decision of the 18th plenary meeting of the Fifth Central Committee of the Workers' Party of Korea."

The Kim Chong-tae general electric locomotive works, the June 4 general rolling stock works and other plants are supplying in good time equipment and materials needed for railway transport.

KCNA Reports Achievements in Economic Sectors

SK1901111794 Pyongyang KCNA in English 1024 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Production is on the constant increase in different sectors of the national economy in the Democratic People's Republic of Korea.

The Songsan mine overfulfilled its January plan on all indices on January 14.

Entering the new year, the Musan mining complex is topping its daily assignments by 30 percent in the production of iron headings.

The Sinuiju textile mill has lifted the daily output of yarn 11 percent and textiles 12 percent up on the same period late last year by updating technical processes and operating all the equipment at full capacity.

All the factories under the 727 general bureau and the Hamhung silk mill in South Hamgyong Province are topping their daily assignments by more than 20 percent in the new year.

South Korea

Seoul, Washington Coordinate Nuclear Stance

SK2401020994 Seoul YONHAP in English 0203 GMT 24 Jan 94

[Text] Seoul, Jan. 24 (YONHAP)—South Korea and the United States held working-level coordination sessions on the North Korean nuclear issue over the weekend as Pyongyang and the International Atomic Energy Agency (IAEA) are engaged in inspection negotiations.

Tom Hubbard, deputy assistant secretary of State and top U.S. representative to contacts with North Korea, flew into Seoul on Sunday and met with Foreign Minister Han Sung-chu and other South Korean working-level officials. Hubbard accompanied Treasury Secretary Lloyd Bentsen on a leg of his Asian trip and flew in separately to Seoul to consult on the nuclear issue, Ministry officials said. He leaves for Washington on Monday afternoon.

Pyongyang-IAEA negotiations on resuming inspections are dragging on beyond expectations and the two sides are likely to meet again sometime soon.

If these talks go well and Pyongyang reopens inter-Korean dialogue, the United States is expected to hold high-level talks with North Korea for comprehensive discussions, including relations improvement.

U.S. Asked To Muster PRC Aid on Nuclear Issue

SK2401080494 Seoul YONHAP in English 0749 GMT 24 Jan 94

[Text] Seoul, Jan. 24 (YONHAP)—South Korea asked the United States Monday to muster Chinese help in solving North Korea's nuclear problem.

Foreign Minister Han Sung-chu met with visiting Deputy Assistant U.S. Secretary of State Tom Hubbard and shared concern that North Korea not be allowed to delay much longer in inspection negotiations with the International Atomic Energy Agency (IAEA). He asked that U.S. Secretary of State Warren Christopher ask China to exert active influence on North Korea on the nuclear issue, Chang Chae-yong, director-general of the American Affairs Bureau at the Foreign Ministry, said in the post-meeting briefing.

Christopher and his Chinese counterpart, Qian Qichen, are due to meet in Paris this week.

Hubbard had come to Seoul Sunday after accompanying Treasury Secretary Lloyd Bentsen on an Asian tour. He is the top U.S. representative to regular contacts with North Korea in New York.

The U.S. official worried at the delay in North Korea-U.S. inspection talks and declared there will be no negotiations of any sort between North Korea and the United States without the Pyongyang-IAEA agreement first.

Hubbard called China's role so far as having been constructive and promised to seek Beijing's powerful influence on North Korea at the Paris meeting of the foreign ministers.

Hubbard left for Washington after afternoon talks with South Korean Nuclear Ambassador Kim Sam-hun and chief Presidential Aide for Diplomacy and National Security Chong Chong-uk.

U.S. Asks for Cattle, Beef Market Opening

SK2001063194 Seoul CHOSON ILBO in Korean 20 Jan 94 p 10

[Text] The United States has asked the ROK to open its cattle market in addition to its beef market by applying an import quota system and to allow local meat-processing firms to sell imported beef by processing it as packaged beef.

In the two-day livestock negotiations with the ROK in Washington on 19 January, the United States demanded that the ROK ensure that apart from beef, a minimum volume of cattle, be imported each year since the General Agreement on Tariffs and Trade [GATT] schedule of concessions provide for zero percent tariff for cattle and since the cattle market is to open from 1 July 1997. The United States also requested that the ROK ease its government restrictions prohibiting the local meet-processing firms from processing and selling beef imported through the simultaneous buying and selling system (SBS) as packaged beef.

The ROK side, however, is reported to have told the U.S. side that it is difficult for the ROK to set quotas on live cattle and that for the time being, the ROK has to maintain restrictions on the sale of packaged meat by meat-processing firms that are members of consumer organizations. Participating as senior delegates in the Washington negotiation were Yi Yong-nae, agricultural attache of the ROK Embassy in the United States from the ROK side and Jim Grueff, chief of the Uruguay Round [Multilateral Trade Policy Affairs] section of the Agricultural Department from the U.S. side.

Renegotiation With U.S. on Uruguay Round Urged

SK2001011094 Seoul THE KOREA TIMES in English 20 Jan 94 p 2

[Text] Some scholars and lawmakers yesterday called for renegotiation of the Uruguay Round [UR] talks with the United States in the agricultural field, mainly in relation to the opening of the domestic rice market.

In a policy debate over the multilateral UR negotiations organized by the opposition Democratic Party [DP], they also called on the National Assembly to oppose ratification of the UR negotiations and the people to stage a nationwide campaign to deter the pressure to import rice.

Prof. Kim Wan-pae of Chungang University said, "We should not submit the documents pledging to carry out the opening of agricultural and livestock product markets until late February, the deadline set by the GATT [General Agreement on Tariffs and Trade]."

"We have to appeal to the GATT and ask for more negotiations with the United States," he added.

He called on the government to ask the GATT to acknowledge trade between South and North Korea as an internal exchange between the same people.

"We need to resume negotiation with the United States because it is attempting to reject the imports of some agricultural and livestock materials to protect its domestic market," he added.

He asserted the Assembly special committee on UR negotiations needs to be operated constantly in a bid to come forward with effective measures in this connection.

He also called for revolutionary changes in the rural structure to ride the expected tough UR wave.

Prof. Kim Su-haeng of the Seoul National University said the government must reflect the interests of the people in all sectors of society in the pursuit of its internationalization.

"The government did nothing in connection with the improvement of the welfare of the underprivileged, only putting emphasis on strengthening the national competitiveness in international society," he said.

"In a sense, further globalization will result in destitution of agricultural areas and the increase of jobless people due to the rapid change of industrial structure toward autonomization," he added.

Cho Sung-u from the national emergency committee to protect the rice market said, "The UR talks have yet to be finalized. It is not true that the opening of the markets for basic agricultural products including rice is inevitable."

"We have to embark on a national campaign to block rice imports by collecting signatures and money to this end," he added.

Rep. Kim Yong-chin of the DP said, "As an initial step in the UR talks, we have to call on the U.S. to resume negotiation and to clarify our objections to the rice import."

Kim called for maintaining the production of rice and other basic agricultural products at a proper level to prepare for the upcoming national unification era, and other short and long term developments.

U.S. Evangelist To Visit North To Build Church

SK2001001594 Seoul YONHAP in English 2349 GMT 19 Jan 94

[Text] Beijing, Jan. 19 (YONHAP)—American Evangelist Billy Graham will pay his second visit to North Korea later in January to help build a church, a diplomatic source said Wednesday.

"The main purpose of the Rev. Graham's visit is to discuss problems related to the construction of a church in the Najin-Sonbong area, designated by North Korea as a free economic zone, and how to channel Christian funds for it," the source said.

Graham, who visited North Korea in 1992, is scheduled to arrive in Beijing on Jan. 22 and leave the Chinese capital the next day aboard a North Korean airliner for Pyongyang, the source said.

"As he did in 1992, Graham hopes to meet North Korean President Kim Il-song and hold a service at Bongsu Church in Pyongyang," the source added.

Graham conveyed a message from then U.S. President George Bush to Kim Il-song and delivered a lecture at Kim Il-song University when he visited North Korea between March 31 and April 4, 1992, at the invitation of the Council of North Korean Christian Churches.

Pyongyang has taken a series of positive measures to induce church funds into North Korea as part of its efforts to prop up its sagging economy. In this connection, there is a fundraising campaign among ethnic Koreans in northeastern China to help build a church in the Najin-Sonbong zone.

IAEA, DPRK Said To Agree on Limited Inspection

SK2201004894 Seoul CHOSON ILBO in Korean 22 Jan 94 p 1

[YONHAP from Berlin]

[Text] David Kyd, spokesman for the International Atomic Energy Agency [IAEA], said on 21 January that the IAEA and North Korea had agreed to the basic principle of holding limited inspections [chehan sachal]. Spokesman Kyd expects North Korea will officially give the IAEA a "diplomatic-level" answer, not a working-level one, sometime next week.

Spokesman Kyd said: "North Korea and the IAEA agreed during the third contact on 17 January that future inspections will be held to see if there have been any abnormal change [pijonsangjogin pyonhwa] in North Korea's nuclear status [haek hyonhwang] since the last inspection in 1993 and that it will be a one-time only inspection."

He stressed: "The IAEA is not demanding overall inspection of North Korea." He added: "The two sides have agreed to include the targets [taesang] being discussed in the current working-level contacts in the one-time-only limited inspection to ascertain any abnormal change."

Regarding the scope and method of inspection to ascertain abnormal changes of North Korea's nuclear status, he said the IAEA insists on inspecting all items of technical requirements, while North Korea insists on limiting the targets considerably and reducing the scope. This difference in opinion is generating conflict.

Agreement on Principle of Inspection

SK2201022794 Seoul YONHAP in English 0217 GMT 22 Jan 94

[Text] Berlin, Jan. 22 (YONHAP)—The International Atomic Energy Agency (IAEA) and North Korea have agreed on the basic principle of a one-time restricted inspection, and the IAEA is expecting an official answer on the sites Pyongyang will open for inspection next week, IAEA Spokesman David Kyd said Friday.

One-time restricted inspection is neither a regular inspection nor a full-fledged inspection, Kyd told YONHAP by telephone. The IAEA totally understands the situation and so it is not demanding a full scope safeguard inspection.

Both sides agree that the purpose of their working-level talks is to try to agree on a one-time inspection to see if there have been any abnormal changes in the status of North Korea's nuclear facilities, but there is a problem on the scope of the inspection, Kyd said.

The IAEA insists that it should inspect all the facilities, and North Korea disagrees.

Remarks by a North Korean Foreign Ministry spokesman berating the IAEA were just an attempt to shift the blame in case the contacts fail to reach an agreement, Kyd said.

He said he believed that North Korea would give an official answer at a diplomatic level next week, and he is waiting for the answer.

Making announcements to the outside world and trying to reach agreement through patient discussions are totally different activities, he said, adding that he did not think North Korea would break off contact with the IAEA.

North Korea may want to say that the IAEA is trying to resume regular inspections, which had been carried out until last year's suspension of nuclear inspection, but that is not true, he said.

The IAEA has an understanding that the resumption of regular inspections should be discussed more.

There is no change in the IAEA's position that it will not send an inspection team until it has a clear agreement with Pyongyang on the scope of the inspection, he added.

Also reached by telephone, Yi Si-yong, the South Korean ambassador to Vienna, said that there was no change in the IAEA's position that North Korea should open all seven declared nuclear sites for inspection according to nuclear safeguards regulations.

Securing continuity of nuclear safeguards in North Korea and carrying out a full-fledged inspection are required by resolutions of the IAEA Board of Directors and general meeting, and the IAEA Secretariat is not in a position to make concessions freely, Yi said.

Spokesman on DPRK Remarks on IAEA Negotiations

SK2201023794 Seoul SEOUL SINMUN in Korean 22 Jan 94 p 1, 2

[Text] Commenting on the 21 January remarks by a North Korean Foreign Ministry spokesman carried by the North Korean Central News Agency, ROK Nuclear Ambassador Kim Sam-hun has said that "it is not time to express our clear-cut position on North Korea's attitude." He also said: "The statement by a Foreign Ministry spokesman was intended, in part, to make the negotiations between North Korea and the International Atomic Energy Agency [IAEA] difficult and, in another part, to pacify people at home."

He also said: "Given North Korea's attitude toward negotiations with the United States, the statement must have been intended for domestic consumption." He added that the "government will closely monitor the negotiations between North Korea and the IAEA."

Blix: IAEA To Reject 'Meaningless Inspection'

SK2401031194 Seoul YONHAP in English 0300 GMT 24 Jan 94

[Text] Paris, Jan. 24 (YONHAP)—Hans Blix, secretary-general of the International Atomic Energy Agency (IAEA), said Sunday that the IAEA will reject a meaningless inspection that cannot confirm if North Korea has transferred its nuclear materials since the last IAEA inspection in Yongbyon.

The North Korean nuclear problem is not only the most sensitive issue related to Nuclear Non-Proliferation Treaty (NPT) but the most delicate issue politically also, the French daily LIBERATION quoted him as saying. If IAEA inspection is always blocked, like in North Korea, the problem is very serious, he said.

North Korea allowed the IAEA to inspect its seven declared nuclear facilities in January last year for the last time before it announced its withdrawal from the Nuclear Non-Proliferation Treaty in March.

The IAEA is demanding from North Korea the same inspections of its seven declared nuclear facilities as conducted last year, and is discussing inspection of two additional nuclear facilities.

The IAEA is also demanding periodic inspections, Blix said.

It is certain that North Korea did not declare some plutonium although it declared that nuclear facilities in Yongbyon produced a minimal amount of plutonium, he said.

Inspections of the two undeclared nuclear facilities are to confirm if they produced plutonium, but the IAEA is still not sure if it can find how much plutonium was produced from the North Korean nuclear sites.

On the question of whether the IAEA can guarantee that North Korea is not pushing ahead with military nuclear programs after the inspection conditions are met, he said that there are always uncertainties.

Even if the IAEA does inspect the nuclear reactors in Yongbyon, it cannot rule out the existence of secret nuclear facilities, he said. He said that the monitoring equipment in North Korean nuclear facilities has not been operating for several months because film and batteries ran out and did not rule out the possibility that North Korea extracted nuclear material from the reactors.

North Korea has not allowed the IAEA inspection team to exchange films and batteries of the monitoring equipment since last August.

North Korea, IAEA Hold Fifth Contact in Vienna

SK2401123194 Seoul YONHAP in English 1221 GMT 24 Jan 94

[Text] Vienna, Jan. 24 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) resumed their working-level contact here on Monday morning local time on the issue of inspecting North Korean nuclear facilities.

A source said that at the fifth contact taking placing at the IAEA headquarters, North Korea was giving its position with regard to the scope of inspection laid down by the IAEA last week.

DPRK, IAEA, U.S. Negotiations Reviewed

SK2201033294 Seoul YONHAP in English 0307 GMT 22 Jan 94

[Text] Seoul, Jan 22 (YONHAP)—North Korea agreed, in principle, to open its seven declared nuclear sites to full international inspections in a meeting with the United States late last year, but negotiations between North Korea and the International Atomic Energy Agency (IAEA) on these inspections appear not to be proceeding as smoothly as was generally expected.

In these negotiations, now under way between working-level officials in Vienna, North Korea is seeking to impose unacceptable limits on IAEA inspections of the nuclear sites in the face of the IAEA's formal request for full inspections in line with IAEA standards.

Among the seven sites are a radiochemical laboratory and a 5-megawatt reactor, and the IAEA wants to conduct full inspections of these facilities under its nuclear safeguards regime.

But North Korea has reportedly agreed to permit inspections of the seven facilities within the limits of ensuring the continuity of nuclear safeguards only, as it has suspended its decision to withdraw from the Nuclear Nonproliferation Treaty (NPT). North Korea's reasoning is that it has no obligation to meet full NPT requirements for inspections.

North Korea wants to limit IAEA inspections to replacement of films and batteries of cameras set in the seven facilities, while denying IAEA inspectors access to fuel rods of the five-megawatt reactor and substances used by the radiochemical laboratory though the IAEA judges such access necessary for a meaningful inspection.

This position of North Korea was manifested in an interview by an unidentified spokesman of the North Korean Foreign Ministry right after an agreement reached between North Korea and the United States on full inspections of North Korea's seven declared nuclear sites in New York late last year.

The spokesman said in the interview with Pyongyang's official Korean Central News Agency on Dec. 30, just a day after a working-level meeting between North Korea and the United States in New York where the agreement was reached, that the United States had agreed to suspend the "Team Spirit" military exercise with South Korea and North Korea had agreed to permit international inspections of the declared nuclear sites not in line with the nuclear safeguards treaty but in line with the need to ensure the continuity of nuclear safeguards.

When the agreement was put into effect, he said, the two countries would hold a third round of high-level talks to discuss an end to Washington's hostile policy toward Pyongyang, including a nuclear threat, for improved Pyongyang-Washington relations and resumption of regular IAEA inspections of North Korea's nuclear facilities for a complete settlement of the nuclear issue on the Korean peninsula.

Commenting on the working-level North Korea-U.S. meeting in New York on Dec. 3, the same spokesman said in a statement that North Korea had offered a plan to expand the scope of inspections to the extent of ensuring the continuity of nuclear safeguards, adding that this offer was a maximum concession.

This suggests that North Korea has no plan to permit full IAEA inspections of its nuclear facilities until relations with the United States are improved.

It just wants to allow IAEA inspections of its declared nuclear sites within the limit of ensuring the continuity of safeguards until a third round of the high-level talks with the United States is held to discuss resumption of regular IAEA inspections and improved relations between Pyongyang and Washington for a complete solution of the nuclear issue.

Despite the on-going negotiations with the IAEA, North Korea is insisting on resumption of the talks with the United States, saying direct talks with Washington are a shortcut for solution of the nuclear issue. It appears to be paying little attention to the IAEA.

A commentary in the Jan. 19 issue of the Workers' (Communist) Party organ, the NODONG SINMUN, reiterated that the nuclear issue on the Korean peninsula must solved through direct talks between North Korea and the United States, calling for immediate holding of a third round of the high-level talks with the United States.

"If the two sides hold a third round of the talks to discuss a package deal with a sincere and fair attitude to the dialogue, as agreed on in the Dec. 29 meeting in New York, the (nuclear) problem will be completely solved," it said.

ROK Scientist Appointed to IAEA Advisory Group

SK2401012994 Seoul YONHAP in English 0122 GMT 24 Jan 94

[Text] Seoul, Jan. 24 (YONHAP)—A South Korean nuclear scientist was recently appointed to the Standing Advisory Group on Safeguards and Implementation (SAGSI) of the International Atomic Energy Agency (IAEA), the Foreign Ministry said Monday.

Hans Blix, director-general of the IAEA, announced the appointment of Dr. Kim Pyong-ku, 50, vice president of the Korea Atomic Energy Research Institute [KAERI], Foreign Ministry officials said.

The SAGSI, consisting of 14 regular members, is an influential advisory group to the IAEA director for the formation of policy and execution of policy and projects aimed at preventing proliferation of nuclear arms and promotion of the peaceful use of nuclear energy.

Kim, the first Korean to be appointed a SAGSI member, is a graduate of Seoul National University and California Institute of Technology. He worked as a regular researcher at the jet propulsion laboratory in the United States between 1972 and 1975 before returning home to work for the KAERI in May 1975.

DPRK Reportedly Hiding Nuclear Bombs Underground

SK2201010194 Seoul CHOSON ILBO in Korean 22 Jan 94 p 2

[YONHAP from Beijing]

[Text] According to a Chinese source on 21 January, North Korea has been secretly extracting a considerable amount of plutonium while it held nuclear negotiations with the United States, and that it is highly possible that North Korea has already produced a small nuclear bomb and is hiding it in an underground warehouse. This source well-versed in North Korean affairs said: "I recently heard from a senior North Korean official that North Korea is hiding nuclear weapons in an underground warehouse in the mountains near Pyongyang and that any thorough inspection of North Korean nuclear facilities [haek sisol] by the United States and the International Atomic Energy Agency will fail to locate them."

Paper Reports DPRK Activities in Macao

SK2001090694 Seoul THE KOREA HERALD in English 20 Jan 94 p 3

[By Korea Herald correspondent Min Pyong-il]

[Text] MACAO—Macao circles are looking forward to expansion of North Korean activities in the Portuguese enclave in the remaining five years before China regains sovereignty over Macao in 1999, a North Korean watcher here said.

Chokwang Trading Co. originally operated, paying what amounted to only token rental charges, from one of the properties of the late Ho Yin, perhaps the richest and most influential pro-Beijing Chinese businessman in Macao, he explained.

Following Ho Yin's death close to 10 years back, some of the properties are being redeveloped and Chokwang will soon move to a property that it had acquired in recent years, according to business sources here.

"It is almost certain that the North Korean will continue to use Chokwang as a bridge to the Western world after 1999," the North Korean watcher said.

For years, there have been reports that Chokwang had been active as the purchasing or selling agent for North Korea. Back in the early 1970s, North Korea had requested to set up a shop which was intended to act as an intelligence gathering agency in Hong Kong, but the Hong Kong Government declined, he explained.

North Koreans were undaunted and set up a shop in a Chinese name with personnel traveling either as Hong Kong citizens or Chinese holding Chinese passports.

After their attempts in Hong Kong were thwarted, North Korea finally set up a shop selling North Korean bric-a-brac on one of the main roads in northern Macao, the source disclosed.

Later it was expanded and while the shop still functioned, more North Koreans came and set up the Chokwang Trading on Ho Yin's property, according to the watcher.

According to him, it had been a common joke that one of the paramount duties of Chokwang was to buy luxury goods for the Kim father and son, the son being particularly prone to a special brand of Swiss chocolate.

North Korean watchers first sensed Kim Chong-il's absence from public scene in the mid-1970s, when those involved in monitoring chocolate shipments from Switzerland to North Korea noticed that the shipments had suddenly ceased.

At one time, the business activities of Chokwang were so robust that its staff multiplied—from a mere 11 or 12 in 1975 to more than 100. After the series of terrorist accidents such as KAL bombing and Rangoon assassination attempt, not to mention the kidnapping of a popular Korean actress Choe Un-hui in Hong Kong, the Macao authorities, using a newly promulgated law on residency of aliens as a stick, restricted North Koreans' presence here, according to him.

Mario Soares, the Portuguese president, visited Korea in October last year and openly blasted North Korea while visiting the truce village of Panmunjom. Before he flew into Seoul as the first Portuguese president to have ever visited Korea, he spent two days in Macao as part of his itinerary, which culminated in a ceremony in Tokyo to mark the 450th anniversary of Portuguese arrival in Japan.

North Korean watchers here said that Soares' outburst at Pyongyang would not materially affect Chokwang's activities in Macao.

Nevertheless, the Portuguese security agency appears to be doubling its watch for any intelligence or subversive activities by the North Koreans.

"As far as I know, not only is it closely watching Chokwang but also keeping surveillance on all North Korean residents here," he said.

Today, according to other sources, Chokwang has a permanent staff of about 30. However, this does not necessarily mean its activities have been curtailed, a North Korean watcher stressed.

It means only some annoying inconvenience for them as the North Koreans who arrive in Macao for a day or two's visit now have to go to the nearby Zhuhai Special Economic Zone only to return the next day to continue their business, he concluded.

Yi Ki-taek To Talk With ROK on Visiting DPRK

SK1701020394 Seoul YONHAP in English 0134 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—Opposition leader Yi Ki-taek said Monday he will negotiate with the government on visiting North Korea after the National Assembly session ends next month.

He told reporters at his home early in the morning that he had been considering a North Korea visit "from quite long ago."

Aware of the criticism that he is acting on a whim, the opposition leader said he had been discussing inter-Korean relations with experts.

"I sought the opinions of others whom I met at last year-end gatherings and they had rather progressive views about even the nuclear problem," Yi said.

Asked whether arrangements for the visit are well in advance, he said they "have just begun."

"I expressed my intent to go to North Korea as an opposition leader, and I am preparing and collecting necessary materials," Yi said.

He will begin consultations with the government about the visit after the extraordinary assembly session in January and February, and has specifically ordered his spokesman to announce that he will not, under any circumstances, neglect domestic issues such as water contamination and the Uruguay Round, Yi said.

As he was doing it for improvement of inter-Korean ties, there was "no reason" for the government to refuse him permission to make the trip, Yi said.

The opposition leader embarks on a visit to China later this month that was originally planned for last November or December.

Meetings with Chinese leaders were set then, but rescheduling is not going well, he said.

DP Leader To Seek Permission for DPRK Visit in Feb

SK1701083994 Seoul YONHAP in English 0727 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—Yi Ki-taek, chairman of the major opposition Democratic Party, has said that he will formally apply in February for a government permit to visit North Korea.

Yi, exchanging New Year's greetings with Stephen Cardinal Kim Su- hwan at Myongdong Cathedral, said Monday [17 January] he will propose an inter-Korean summit and a tripartite meeting of Pyongyang, Washington and Seoul if he meets with North Korean President Kim Il-song.

Frequent inter-Korean exchanges, including cultural exchanges and economic cooperation, will help resolve inter-Korean problems and achieve national reunification, he told the Roman Catholic primate of South Korea.

"My reason for visiting North Korea is that we remain in the cold-war framework of reasoning, though we are living in the post- cold war era," Yi said.

"The political approach to the reunification issue so far should now be shifted to an economic approach, and I believe the opposition party has a role to play in creating an environment for such a shift and in arranging inter-Korean talks for solution of the nuclear issue."

The cardinal said visiting North Korea is not always as simple as Yi made out because North Korea may try to make use of such a visit for its own political objectives.

Businessmen To Visit if North Allows Inspections

SK1901045094 Seoul MAEIL KYONGJE SINMUN in Korean 19 Jan 94 p 2

[Text] If North Korea allows the International Atomic Energy Agency [IAEA] to inspect seven reported nuclear facilities and agrees to hold the exchange of special envoys of the South and North, the government will allow businessmen to visit North Korea.

A government official revealed on 18 January: "If North Korea allows the IAEA inspection team to visit North Korea to receive practical [silchilchokin] inspection of the seven reported facilities and agrees to the exchange of special envoys of the South and North, this will be recognized as a breakthrough in resolving the nuclear issue, thus making it possible to allow businessmen to visit North Korea."

This greatly eases the government's policy that was decided upon at the August reunification-related ministers meeting in which it decided that 'businessmen will be allowed to visit North Korea only when North Korea completely returns to the Nuclear Nonproliferation Treaty and agrees to the inspection of unreported facilities in Yongbyon.'

If a breakthrough is made on the nuclear issue, the government plans to allow technicians to visit North Korea to activate the consignment processing trade [imgagong kyoyok].

A government official said: "The volume of South-North trade was reduced by six percent last year because of the nuclear issue. However, processing trade for reexport [witak kagong] increased by seven to eight times, thus showing the possibility of South-North trade. Necessary measures will be taken at the government level this year to actively assist such processing."

If North Korea accepts the IAEA's inspection and also the South-North mutual inspection, the government will actively work on opening direct South-North sea route which is being pointed out as the greatest obstacle in South-North trade. The government will also establish a South-North exchange cooperative subcommittee to provide measures for guaranteeing investment, preventing double taxation, and providing procedures for disputes.

It was learned that the sea routes between Inchon Port-Nampo Port, Pusan Port-Wonsan Port, and Pohang Port-Chongjin Port will be the most likely sea routes already agreed upon between South and North Korea in case a direct sea route is established.

The government plans to make a final decision over this matter at the 25 January reunification-related ministers meeting.

Yi Ki-taek Reiterates Firm Will To Visit North

SK1901053294 Seoul CHOSON ILBO in Korean 19 Jan 94 p 4

[Report by Ho Yong-pom from Taegu from the "News Behind the News" column]

[Excerpt] [passage omitted] In a meeting with reporters in Taegu, Democratic Party's [DP] Executive Chairman Yi Ki-taek said: "No one can restrain my will to visit North Korea." He thus drove a wedge in the criticism being made by the people within the DP. When reporters commented that there is a possibility that his visit to the North may be used by North Korea, he said: "From my political statesmanship point of view, I firmly believe that by no means will I be embroiled in North Korea's reunification front strategy. I believe that anyone, including government officials, can work to dissolve the current stalemate existing between the South and North." Executive Chairman Yi, who has been trying to visit China, postponed his visit because no substantial results were achieved by his special envoy who visited China recently.

Promotion of DPRK Tourism If Nuclear Issue Ends

SK1701021494 Seoul YONHAP in English 0142 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—The government has decided to promote Visit Korea Year '94 with programs combining major sightseeing interests in South and North Korea, provided that the nuclear problem is solved, sources at the National Unification Board [NUB] said Monday.

"This year is Visit Korea Year and we are thinking of providing package tours enabling overseas Korean residents and foreigners to visit South and North Korea at one time," a source said. "North Korea has showed positive attitudes to attract foreigners since the 1980s to earn foreign currency, so the plan is very likely to be realized."

The Korea National Tourism Corp. and travel agents will be allowed to contact North Korean officials to discuss developing travel packages or joint advertising to attract foreigners as soon as a breakthrough is made in talks over the North Korean nuclear problem, the source said.

Such details as crossing points for tourists on the border and procedures for cross-border travel could be discussed by government officials if Seoul and Pyongyang resume dialogue, he said.

"Considering the particular situation facing the North, the package tours will be limited to foreigners and overseas Koreans, " he said.

The board wants to make Mt. Sorak, Mt. Kumkang and Panmunjom free tourist zones to attract foreigners, he said.

It will probably brief South Korean President Kim Yong-sam on its plan on Thursday, the source said.

Government, Military View Unconventional War

SK2201013694 Seoul THE KOREA TIMES in English 22 Jan 94 p 3

[Text] Government officials, military officers and civilians met yesterday at the central committee meeting of the Counter-Infiltration Operations Center (CIOC) over a total defense posture to better cope with unconventional warfare (UW) likely to be staged by North Korea.

Gen. Yi Yang-ho, chairman of the Joint Chiefs of Staff [JCS] and CIOC commander, presided over the meeting held at the first conference room of the Defense Ministry.

The CIOC designated establishment of the nation's total security preparedness as its key target in 1994.

The participants discussed a broad range of measures to build up the readiness to instantly counter an irregular warfare, complete a joint civilian-government-military defense capability and conduct training exercises for guerrilla warfare, reviewing North Korea's capability of provoking unconventional warfare and its possibility.

In a report, a senior CIOC officer said that North Korea completed a "three-stage" preparedness for waging a war from Oct. 8, 1992 through July 27, 1993 and that it regimented its people and the military forces more tightly in its uphill efforts to strengthen and maintain Kim Il-song's ideological system, chuche or self-reliance.

North Korea has secured a 100,000-strong commando force, the largest in the world, and about 2,000 special operatives, the officer reported, revealing that it has recently concentrated on construction of midget submarines and air-cushioned hovercrafts for "high-intensity" infiltrations.

The North Korean military machine, according to the officer, is also capable of sending roughly 20,000 combat troops simultaneously into action by mobilizing AN-2 planes, cargo aircraft and surface vessels.

He predicted that the types of provocations by North Korean infiltrators would range from attempts to set up a underground party in the South by using core agents and infiltration to the rear areas through the demilitarized zone (DMZ) to conduct political, ideological and psychological warfare and camouflaged peace offensive.

In an address, Gen. Yi warned strongly against relaxation in a sense of security and absent-minded posture, emphasizing the sense of security in which part of the people regard a possibility of military provocation by North Korea only as groundless fear is a real threat and danger from within to the national defense posture.

North Korea, the only Stalinist communist country in the post-Cold War world, continues propagations and instigations to both its people and military forces, for complete preparations for a war with the South, Yi added.

At a ceremony in the wake of the hour-long meeting, the JCS chairman conferred the presidential citations upon the Army's Chungyong Unit, the Kyongsangpuk-to Civil Defense Consultation Committee, the Kangwon-to regional police administration and the Hyundai Precision & Industry Co.s factory in the Changwon Industrial complex for their contributions toward consolidation of the counter-espionage system.

Moscow Contracts To Sell Submarines to DPRK

SK2201010994 Seoul THE KOREA HERALD in English 22 Jan 94 p 2

[Text] Moscow has notified Seoul that it has made contracts to sell 12 decommissioned submarines to Pyongyang and already handed over one to the country under the contract, the Foreign Ministry said yesterday.

Russian Vice Foreign Minister Aleksandr Panov met South Korean diplomats in Moscow Thursday and told them the vessels cannot be restored to submarines as they have been completely removed of arms and other equipment.

He also said Russia has obliged North Korea to allow Russians to check, for verification, the disassembling process in the contract, the ministry said.

"From these reports from Russia, the decommissioned submarines being sold to North Korea are believed to be for use as scrap metal," said Paek Nak-hwan, director-general for European Affairs.

When asked by Seoul of its evaluation, Washington also said it saw little possibility that North Korea would acquire submarine technologies through disassembling the vessels, Paek said.

U.S. officials said that North Korea might use some of the disassembled parts for its other submarines but this also might not pose much worries, he said.

Paek said the former Soviet Union had handed over two decommissioned submarines to South Korea's Samsung in 1989 in exchange for some medical equipment.

Samsung conducted a close examination but didn't find any other use of the vessels but as scrap iron at that time, he said.

The former Soviet Union also sold two vessels to Taiwan in 1991 but China did not raise objections, Paek said.

The official said Seoul has demanded an additional explanation from Moscow on how it will check the process of disjoining the vessels.

"We will continue to closely watch future development of the Russia-North Korea dealing," he said.

ROK, Russia To Discuss Joint Arms Development

SK2401071794 Seoul CHUNGANG ILBO in Korean 24 Jan 94 p 2

[Text] It has been learned that the ROK and Russia will hold full-scale discussions in Seoul next month on the Russian Government's proposal for ROK-Russia economic cooperation on the joint development, production, and supply of ultramodern weapons. A government official said on 24 January: "Officials of Russia's Foreign Economic Relations and Finance Ministries will visit the ROK in late February to hold official negotiations with ROK Government officials over the joint development and supply of weapons and the issue of repayment of the loans provided by the ROK to the former Soviet Union."

ROK, Japan, Russia To Probe Nuclear Dumping

SK2101001894 Seoul YONHAP in English 0008 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 (YONHAP)—A joint South Korean, Japanese and Russian investigation into possible contamination of the East Sea by Russian dumping of nuclear waste is to be carried out in late February, informed sources said Thursday.

The three countries had planned to hold the investigation in mid- January, but had to postpone the plan because of differences of opinion over cost sharing, they said. The problems were resolved recently.

The area for investigation will be the East Sea off Hokkaido, where the Russian Far-East fleet said it dumped nuclear waste in October last year.

Ambassador to Russia Home for Policy Consultation

SK2101092894 Seoul YONHAP in English 0809 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—South Korean Ambassador to Russia Kim Sok-kyu temporarily returns to Seoul on Saturday to coordinate policies toward the new Moscow Government.

Kim is to brief Foreign Minister Han Sung-chu and presidential aides on the latest developments in Moscow and make recommendations on charting future bilateral relations such as economic aid.

He returns to his post on Jan. 29.

Russian Vessel Held for Failure To Pay Repairs

SK1901115894 Seoul YONHAP in English 1129 GMT 19 Jan 94

[Text] Pusan, Jan. 19 (YONHAP)—A Russian maritime research vessel was being held here since Sunday for its failure to pay the cost of a repair it underwent at a Pusan shipyard last year. The 493-ton vessel, "Igor Maksimov," entered the Pusan harbor on last Friday carrying 22 Korean-Russian tourists. The ship was originally scheduled to leave Pusan Sunday afternoon. But, the Korean agency of a Russian state firm to which the vessel belongs had the Pusan court distrain the ship pending the payment of a repair fee. An official of the Korean agency said on Wednesday "Igor Maksimov" was repaired for one month last August at Choyang Shipyard at Yong-to, Pusan. But, the Russian firm failed to pay the repair fee totaling about 35 million won. The vessel has a crew of 23 in addition to the ethnic Korean passengers.

Moscow Technical University President Visits

SK1701095794 Seoul YONHAP in English 0802 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—President of Moscow State Technical University (MSTU) Igor Fedorov arrived in Seoul on Saturday [15 January] at the invitation of the Korea Advanced Institute of Science and Technology (KAIST) to discuss academic exchanges between the two organizations, a KAIST spokesman said Monday.

Fedorov spoke on Russia's education system and Moscow State Technical University Monday at Taedok industrial complex near Taejon, South Chungchong Province, and will give another address there on Tuesday.

He will attend a seminar on radar systems before he returns to Moscow on Thursday.

Chief of Taiwan Mission Arrives in Seoul

SK2001113394 Seoul YONHAP in English 1040 GMT 20 Jan 94

[Text] Seoul, Jan. 20 (YONHAP)—Lin Tsung-hsien, chief of the Taiwanese mission in Seoul, flew into Seoul on Thursday afternoon to assume his new duty.

"I will do all I can to restore the suspended bilateral relations at an early date and promote new relationship based on the principles of reciprocity and equality," Lin said on arrival at Kimpo Airport.

He said closer cooperation between the two countries will serve mutual interests and also contribute to stability and prosperity in Asia.

South Korea and Taiwan severed formal diplomatic ties in August 1992 when Seoul entered ambassadorial relations with mainland China.

Late last year, the two countries agreed to exchange semiofficial resident missions. Seoul opened its mission in Taipei on last Nov. 25.

ROK, Taiwan Tourist Exchange 'To Regain Vigor'

SK2101035794 Seoul YONHAP in English 0235 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Tourist exchanges with Taiwan are expected to regain vigor along with the inauguration of a Taiwanese mission in Seoul Monday, the Korea National Tourism Corp. (KNTC) and tourism sources said Friday.

Tourism will soon recover to the level of 1992, when Seoul and Taipei severed ties because of Seoul's normalization of ties with Beijing, they said.

The opening of the Taiwanese mission means that Taipei wants to increase personnel and material exchanges, they said, so Taiwanese travel agents are likely to start selling package tours to Seoul.

Last year, 147,000 Taiwanese nationals visited South Korea, or nearly half of the 296,000 recorded in 1992, and 85,000 Koreans visited Taiwan, compared with 126,000.

With severance of ties, the national carriers of both countries cut flights between Seoul and Taipei on Sept. 15, 1992.

Korean Air and Asiana Airlines of Korea, and China Airlines and Eva Airlines of Taiwan are negotiating for resumption of flights.

Before severance of ties, Korean Air had 16 flights a week between Seoul and Taipei; Asiana, four; China Airlines, nine; and Eva, six.

Cathay Pacific Airlines, Northwest Airlines, Thai international Airways, Singapore Airlines and Delta Airlines currently have 34 direct flights a week between Seoul and Taipei.

Some travel agents that specialize in Taiwanese tourists have sales promotions. Taiwanese like to visit Korea in the winter for the snow-covered mountains and skiing, which are unavailable in Taiwan.

Bank of China To Open Branch in Seoul 19 Jan

SK1701073394 Seoul YONHAP in English 0626 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—The Bank of China, a state- run bank that specializes in foreign exchange services, will open a branch in Seoul on Wednesday [19 Jan], becoming the first Chinese financial institution to operate in South Korea.

The branch will be promoted from a representative office, set up in August 1992, under the Korea-China financial agreement that was concluded last year. The Korea Exchange Bank already opened a branch in Tianjin in late December.

Capitalized at 12 billion won (about 15 million U.S. dollars), the bank of China's Seoul branch is expected to focus its banking services on companies dealing with China.

It will also provide counseling services to businesses planning to invest in China.

Capitalized at 5.2 billion dollars, the Bank of China has 6,183 branches in China and 448 overseas.

Two other Chinese banks—the Industrial and Commercial Bank of China and the People's Construction Bank of China—now maintain a representative office each in Seoul.

Opposition Party Leader Postpones PRC Trip

SK1801062194 Seoul YONHAP in English 0342 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—Opposition Democratic Party [DP] Chairman Yi Ki-taek has decided to shelve temporarily his plan to visit Beijing late this month due to difficulty in arranging meetings with Chinese leaders, a DP official said Tuesday.

Yi sent an aide to Beijing on Jan. 7 to arrange meetings with President Jiang Zemin and other Chinese leaders, but the aide failed to get a schedule fixed, according to the official.

"I've heard that Yi's aide returned home on Monday and explained the results of his trip to Beijing to Yi," the official said. "The aide pushed for meetings between five Chinese leaders and Yi, but he could not fix a schedule."

ROK-PRC To Sign Aviation Agreement in Beijing

SK2101025394 Seoul YONHAP in English 0137 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—South Korea and China are expected to sign an aviation agreement on direct services when President Kim Yong-sam visits Beijing in March, officials said Friday.

Working-level negotiations in the Chinese capital have been extended and are progressing in a "positive direction," one said.

Korea will succeed in having the Seoul-Beijing flight control transfer point set at 124 degrees longitude as designated by the International Civil Aviation Organization (ICAO).

China had been opposed, saying the line was drawn when Taiwan represented China at the ICAO.

But the two sides are to skirt the transfer point issue on the Seoul-Shanghai route and fly along a corridor, as done up to now, the official said.

Kim is expected to visit Beijing in March and the two countries likely will formally sign the aviation agreement then, he said.

The agreement will be initialed at the next aviation talks in Beijing.

Iran's Deputy Foreign Minister Holds Visa Talks

SK2001011894 Seoul THE KOREA TIMES in English 20 Jan 94 p 2

[Text] Assistant Foreign Minister for Political Affairs Choe Tong-chin yesterday discussed with visiting Iranian Deputy Foreign Minister Manuchehr Mottaki ways to cut red tape in immigration affairs administration to promote to economic cooperation between the two countries.

Choe requested that Iran more readily issue visas to Korean businessmen and construction workers for easier business activities in Iran during talks at the former's office, a Foreign Ministry official said.

Mottaki, who flew into Seoul Tuesday [18 January] from Tokyo, called on the Korean government not to require visas for Iranians visiting Korea for 15 days or less, the official said.

The Iranian deputy foreign minister will pay a courtesy call on Foreign Minister Han Sung-chu this morning.

President Kim Receives Spanish Foreign Minister

SK1701105394 Seoul YONHAP in English 1045 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—President Kim Yong-sam on Monday [17 January] afternoon met visiting Spanish Foreign Minister Javier Solana at Chongwadae [presidential office].

During the meeting, President Kim conferred the Order of Diplomatic Service Merit, Kwanghwa Medal, on the Spanish minister before exchanging opinions on ways to further promote bilateral cooperation.

The president especially thanked Minister Solana for the support his country, as a non-permanent member country of the U.N. Security Council, extended to South Korea over the North Korean nuclear issues.

Meanwhile, at a press conference Minister Solana said the North Korean nuclear issues should be resolved in a rightful direction in the interests of world security.

Solana said it is desirable that the nuclear question will be settled before the need arises for the U.N. Security Council to take a sanction.

Also saying that there is a growing need of cooperation between Korea and Spain in the areas of international politics and economy, Minister Solana expressed the hope that his visit would contribute much to expanding friendly cooperative ties between the two countries.

The Spanish minister flew into Seoul on Sunday [16 January] for a three-day official visit. He was the first Spanish foreign minister ever to visit Seoul since the two countries entered ambassadorial relations in 1950.

Further Meetings for Spanish Minister

LD1801212294 Madrid RNE International in Spanish 1400 GMT 18 Jan 94

[Text] Concern over the possible production and use of nuclear weapons by South Korea and the division of the peninsula were the main topics of conversation between Spanish Foreign Minister Javier Solana and members of the South Korean Government as they met today, the second day of his visit to this Asian country. Javier Solana, who met the South Korean deputy prime minister and the minister of defense, said that the risk of nuclear proliferation is something that has to be avoided by us all.

[Correspondent] Solana also spoke to the defense minister about the sale of 12 cargo planes built by the Compania de Construcciones Aeronauticas Espanolas, CASA, planes that are now being delivered. He also discussed the possibility of another order. Now that his visit to South Korea is over, the minister will continue his Far Eastern tour in Malaysia and Thailand. The tour started last Friday in Japan.

President's 'Close Aide' Returns From London

SK1401045994 Seoul YONHAP in English 0250 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—Former lawmaker So Sok-chae returned from London on Thursday [13 January] evening and went to Pusan.

So met his daughter in London and will officiate the wedding Saturday afternoon at Dong-a University in Pusan of a man who belonged to his local chapter.

He will depart for Japan on Sunday from Pusan, and study at the East-West Cultural Center in Hawaii University in February.

So, a close aide of President Kim Yong-sam, had his civil rights restored in December and many political analysts have a deep interest in his political future.

PKO Unit's Functions in Somalia Under Review

SK1801104394 Seoul YONHAP in English 1022 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—The duty and camp site of the South Korean engineer unit serving in Somalia as part of the U.N. Peace Keeping Forces [PKO], may be changed shortly, a Foreign Ministry official said on Tuesday.

The official said the likely refixing has been necessitated as the function of the U.N. PKO forces there has been reduced to relief programs only and major Western countries' troops are set to pull out of the African country shortly.

"In particular, we are discussing with the U.N. Secretariat and relevant countries on matters related to the security of the Korean PKO unit since the Italian contingent which has been supporting the Korean unit in terms of security is to return to Italy by the end of March," he said.

The official added that despite the planned early withdrawal of the troops of major Western countries, there is no plan so far to bring the Korean unit home ahead of schedule.

The Korean engineer unit is supposed to remain in Somalia through July this year.

Ministry Adds Brunei as Natural Gas Supplier

SK2101024994 Seoul YONHAP in English 0049 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—The Trade, Industry and Energy Ministry added Brunei to the list of countries from which it imports natural gas Friday.

It did this to secure a stable supply of gas, demand for which has recently soared for home use and power stations, a ministry spokesman said.

Korea previously imported natural gas from only Indonesia, Malaysia and Australia.

The ministry will import 56,000 tons of natural gas from Brunei next month and make a long-term contract with the country to buy 600,000 tons to 1 million tons a year after 1995, he said.

Brunei charges 169 U.S. dollars a ton for its gas, compared with 172 dollars for Malaysia and 206 dollars for Indonesia.

The ministry is to increase imports of natural gas 20.7 percent from 4,453,000 tons last year to 5,376,000 tons this year.

Korea's demand for natural gas is expected to increase about 22 percent over 1993 to 5.32 million tons this year.

1994 Grants to Developing Nations Announced

SK1901021894 Seoul THE KOREA HERALD in English 19 Jan 94 p 2

[Text] Seoul will provide grants worth 31.8 billion won (some $40 million) to developing nations this year, up 20 percent from the 26.5 billion won last year, the Foreign Ministry said yesterday.

The increase reflects the government's will to actively promote economic cooperation with other countries as part of efforts for Korea's internationalization, it said.

The money will be mainly used in helping solve global problems such as poverty and environmental pollution, strengthening cooperation with Asian-Pacific countries and supporting the efforts of former socialist countries to shift to free market system, the ministry said.

The Korea International Cooperation Agency (KOICA), an affiliate of the ministry, is in charge of implementing various programs of cooperation. It was inaugurated in April 1991.

To be specific, the agency will invite 858 trainees from 101 developing nations this year as well as sending 97 experts to 56 nations to share the experience in economic development, it said.

It will also dispatch 76 volunteer workers to 11 countries, including Indonesia and Mongolia, and send 18 medical doctors to 17 nations, most of them in Africa.

The agency will spend $13.7 million in project-type programs and emergency aid for natural disasters to 98 countries and four international organizations, $3.26 million in building vocational training centers in Indonesia and Sudan and $4.46 million in 17 development research programs in eight Asian nations.

Former Prime Minister Dies of Cancer 17 Jan

SK1801032994 Seoul YONHAP in English 0011 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—Former Prime Minister Chong Il-kwon died of lymph cancer at a hospital in Hawaii late Monday [17 January] (Tuesday morning in Korea). He was 77.

Since he stepped down as president of the Korea Freedom League in April 1991, Chong had been undergoing cancer therapy in Washington and Hawaii.

He was hospitalized late last year when his illness got worse.

A graduate of the Japanese Military Academy, Chong was general commander during the Korean war (1950-53) and served as ambassador to Washington, foreign minister, prime minister (1964-1970), a two- term parliamentarian, and house speaker.

He is survived by his 47-year-old wife, Pak Hye-su, and two children.

His body is due to arrive in Seoul around Wednesday.

Public Funeral Scheduled

SK1801115894 Seoul YONHAP in English 1129 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—A public funeral (sahoejang) will be accorded to the late Chong Il-kwon, one-time prime minister and National Assembly speaker, at the National Assembly Plaza on Yoi-do on the morning of Jan. 22.

His remains will be flown home on Wednesday afternoon aboard a Korean Air plane and will be laid in state at the Seoul Chung-ang hospital at Pungnap-tong.

The remains will be buried in the generals' grave yard in the national cemetery at Tongjak-tong in southern Seoul.

Chong died of a lymph cancer at a Hawaii hospital late Monday.

President Urges Businesses To Revitalize Economy

SK2101064194 Seoul YONHAP in English 0622 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—President Kim Yong-sam had lunch with the chairmen of 30 leading business groups and the heads of economic organizations at Chongwadae [presidential office] on Friday and called on them to make efforts to help the government in its primary task this year of revitalizing the economy.

To increase competitiveness, industrial peace is absolutely necessary and business groups should do their best for smooth industrial relations, Kim said.

He encouraged the business leaders to expand exports by making ambitious investments and developing technology, and he called on them not to raise prices.

Among the lunch guests were Yi Kon-hui of Samsung, Chong Se-yong of Hyundai, Kim U-chung of Daewoo, Ku Cha-kyong of Lucky-Goldstar, Choe Chong-hyon of Sunkyong, Cho Chung-hun of Hanjin, Kim Son-hong of Kia, Pak Song-yang of Kumho, Yi Chun-yong of Daelim, and Kim Sang-ha of the Korea Chamber of Commerce and Industry.

Missing were Kim Sok-won of Ssangyong, Sin Kyok-ho of Lotte, and Cho Sok-nae of Hyosung because they were on overseas trips or for personal reasons.

President Receives Reports From Economic Agencies

SK1801083294 Seoul YONHAP in English 0640 GMT 18 Jan 94

[Report by Kim Myong-chol]

[Text] Seoul, Jan. 18 (YONHAP)—President Kim Yong-sam had received reports on their 1994 operating programs from 11 of his government's 27 ministries and agencies as of Tuesday, and all 11 are economic ministries.

Kim asked his ministers with economic portfolios to report first as the focus of his policy in 1994 is revitalizing the economy through increased international competitiveness of Korean products, and he wanted to hear about the plans to achieve this goal before anything else, according to Chongwadae [presidential office] officials.

He also wanted to relieve the economic ministries of the burden of new year presidential reports as soon as possible so that they can quickly start work preparing for internationalization and market opening.

Kim questioned working-level officials, as well as ministers, to see if they knew their jobs in a phenomenon unseen in new year presidential briefings in the past, where the president heard the report and then issued instructions without any give and take. [sentence as received]

Pollution of the Naktong River interfered with the 11 economic briefings and left the administration dumbfounded.

Kim was frustrated in his desire to finish receiving new year reports from all government ministries and agencies by the end of January as he had to divert much attention to the issue.

He told the cabinet to look into the cause of the pollution and work out a comprehensive plan to keep all rivers, especially those that supply tap water, free of pollution.

"The issue has resulted from the failure of past governments to take proper anti-pollution measures for the five biggest rivers, including the Naktong," he said. "The present civilian government must not gloss over the issue but seek a fundamental solution of it to win the people's trust."

Receiving the reports, Kim stressed five points—measures against financial market opening, privatization of state-run enterprises, industrial peace, rural development, and deregulation of economic activities for increased exports.

To cope with the liberalization of financial services, he said, the functions of supervisory institutions such as the Office of Bank Supervision, the Securities Supervisory Board and the Insurance Supervisory Board should be reformed to help financial institutions increase their competitiveness against foreign rivals.

On the privatization program, Kim said state-run enterprises that can be better operated by private hands, including state-run telecommunications firms, should be privatized for better market competitiveness.

But he stressed most the need for labor-management cooperation and industrial peace. In the Labor Ministry's briefing Jan. 13, he pointed to the need for labor and management to recognize that they are in the same boat in this era of boundless international competition and said: "The defeat in this competition means not only the end of the business for management but also the loss of livelihood for labor."

Kim appears to have a firm belief that annual labor disputes serve only to hinder the effort to revitalize the economy.

With the Trade, Industry and Energy, and Agriculture, Forestry and Fisheries Ministries he stressed the need for measures to help corporations increase capital investment, to ease foreign trade rules for increased exports and to develop agriculture as a competitive and viable industry.

It is but midway through the briefings, however, and thus too soon to evaluate the course as a whole.

Distinct differences from the past are evident though. While Kim is using the sessions as an opportunity for dialogue with working-level officials on policy, the officials are using them to express their opinions on the pressing issues facing the country.

President To Reduce Frequency of Interviews

SK1801114994 Seoul YONHAP in English 1127 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—Chongwadae [presidential office] has decided to reduce the frequency of the president's exclusive interviews with individual press medias on their anniversaries.

Presidential Press Secretary Chu Ton-sik said on Tuesday that instead of allowing a presidential interview on every anniversary of national and local press medias as now, the president will grant an exclusive interview with a media only once in three years.

"In the past, President Kim Yong-sam gave all anniversary interviews requested, which means the president had to give about 40 exclusive interviews a year," said Chu, adding that when those given to the Chongwadae press corps are taken into account, the number rises to about 50.

The reduced interviews will not affect President Kim's monthly meetings with the Chongwadae press corps, Chu said.

Government To Enforce Financial Retrenchment Policy

SK1701112994 Seoul YONHAP in English 1029 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—The government has decided to operate this year's money supply tightly to an extent that does not pose an extra burden to industries. Finance Minister Hong Chae-hyong said on Monday the money supply expansion ceiling has been set at 14 to 17 percent for this year. "Unlike past practices, however, we will operate money supply a little tightly without regard to the ceiling," Hong said.

In a policy consultation with senior Bank of Korea officials, the finance minister said, "Money supply should be operated in consideration of the trend of money interests in view of industries' financial burden."

Touching on the ceiling of foreigners' investment in stocks, Minister Hong said the government plans, if possible, to reduce the influx of foreign money into the stock market this year.

"We must develop mid- and long-term policy devices over this issue in consideration of our country's entry into the Organization for Economic Cooperation and Development (OECD) next year," the minister said.

He thus implied that his Ministry would expand the ceiling of foreigners' investment in stocks by next year at the latest as planned.

"To open the stock market without developing devices for the management of money supply is like pushing a brakeless car down from the top of a hill," Hong said. "Yet, a winter comes anyway even though you didn't prepare a coat."

Government To Keep 'No Work, No Wage' Policy

SK1401122494 Seoul YONHAP in English 1123 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—The government will strictly enforce the "no work, no wage" principle in future labor disputes, Labor Affairs Minister Nam Chae-hui said on Friday.

The principle calls for no remunerations for workers when they do not work during the period of labor disputes.

Minister Nam said another principle his ministry will uphold will be the policy that "essential matters related to rights to personnel and management cannot be subject to labor disputes."

In an exclusive interview with the YONHAP news agency, Nam said his ministry will abide by these principles if only to dispel confusion in labor-management negotiations this year.

"No work, no wage" policy is a general principle that has been broadly recognized around the world, he said.

As for disputes over personnel and management rights, the labor minister said that though the labor rights are guaranteed under the Constitution, they cannot infringe on the essential elements of other basic rights.

"Since the right to management is based on the right to properties guaranteed under the basic law, labor disputes aimed at interfering in management cannot be justified," Nam said.

He added, however, that in case matters falling under the realm of personnel or management rights have a serious effect directly on working conditions or the standing of workers, disputes could be justified only to such an extent.

POSCO Labor, Management Settle on Wage Increase

SK1901074494 Seoul YONHAP in English 0658 GMT 19 Jan 94

[Text] Pohang, South Korea, Jan. 19 (YONHAP)—Pohang Iron and Steel Co. Ltd. (POSCO) workers will get a 2.9-percent pay hike this month under an agreement thrashed out by the company's industrial council.

The modest increase in basic pay and fixed allowances was set by the council, which comprises 18 labor representatives and 12 management negotiators, in a bid to maintain POSCO's international competitiveness, according to a company spokesman.

"The industrial council agreed that the pay raise should be low for the company to survive the rapidly changing circumstances of international business," he said.

POSCO's wage accord is expected to affect pay negotiations at other industrial companies in the Pohang region.

POSCO, which has some 22,622 workers, is the world's second biggest iron and steel maker with production last year estimated at 22.48 million tons.

Government May Grant Rights to Illegal Aliens

SK1801095894 Seoul YONHAP in English 0800 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—The government is giving serious consideration to guaranteeing illegal aliens the same treatment as Korean workers under the labor standard law and industrial accident insurance law.

The Korea Labor Institute (KLI) has recommended the step and Labor Minister Nam Chae-hui has approved it, KLI President Kim Tae-mo said Tuesday.

President Kim Yong-sam ordered humane treatment of illegal foreign workers Jan. 13, when the Labor Ministry reported on its new year agenda, and Nam instructed KLI to study the matter, Kim said.

The recommendation is based on Article 5 of the Labor Standard Law, which says that a foreign worker in the country and with a contract, even if it is illegal, cannot be treated unfairly on the basis of nationality or religion.

There are some 56,000 illegal alien workers in the country and most work for small- and medium-sized industrial companies.

It is KLI's argument that the government tacitly approved their contracts by overlooking their illegal presence and employment and it must therefore take the responsibility.

Before the Ministry can take any action, it must discuss the matter with the Justice Ministry, which opposes labor rights for illegal aliens under Article 15 of the Immigration Control Law, which says foreigners without residential qualifications as stated by the president may not be employed.

Government To Revive Labor Day To Ease Relations

SK1401072594 Seoul YONHAP in English 0637 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—Abolished in 1958, Labor Day will be celebrated in South Korea on May 1, 1995, for the first time in 36 years, the government and its party decided Friday.

Labor Minister Nam Chae-hui, Democratic Liberal Party [DLP] Director General of Policy Coordination Paek Nam-chi, and other government and DLP officials agreed to revive Labor Day but put off revision of the law for a year to reflect upon the position of employers.

The move to reform labor policy seems aimed at easing worker dissatisfaction on the eve of spring wage negotiations.

Dissident labor organizations, but not the Federation of Korean Trade Unions (FKTU), have asked for a revival of Labor Day for 36 years. FKTU, which stuck to Worker's Day (March 10), officially decided to ask for the return of Labor Day in 1990.

In spite of the delay, party officials say they expect the decision to revive Labor Day to be welcomed.

President Syngman Yi abolished Labor Day in 1958 and replaced it with March 10, anniversary of the founding of the right-wing predecessor of FKTU, as Worker's Day.

Ministry Studies Pensions for Farmers, Fishermen

SK1401044494 Seoul YONHAP in English 0235 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—The Ministry of Health and Social Affairs plans to introduce pensions for farmers and fishermen to compensate them for rice market opening, ministry officials said Friday.

The ministry will finalize the system by June and present its proposal to the National Assembly in autumn for introduction next year.

Businesses with more than five employees must join the national pension scheme. Contributions of 6 percent of wages are shared by the employee (4 percent) and his employer (2 percent) according to the national pension law.

Anyone else who wants to join the system may, but they must pay all 6 percent themselves.

According to a tentative plan drawn up by the ministry, about 995,000 households in farming and fishing villages and 650,000 non-farming or fishing households in rural areas will be obliged to join the national pension scheme.

In rural areas, contributions and pensions will be paid on a per household basis instead of an individual basis. Pensions are payable from the 60th birthday of the head of the household.

An official said, however, that the ministry is still studying whether to share the contributions.

The government also has to decide what percent of income—3 percent or 6 percent—rural people should pay toward their pensions.

Opposition Leader Supports Realignment Proposal

SK1401035994 Seoul YONHAP in English 0256 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—Opposition leader Yi Ki-taek openly threw his support behind realignment of local administrative units Friday, rekindling the talk of a massive rezoning that President Kim Yong-sam had silenced, though he said he was still opposed to dividing up the city of Seoul.

"We shouldn't blindly oppose it. We will review it," Yi said.

"Proposals for rezoning in the past were just gerrymandering before an election, but as long as it is conducted fairly, it's worth consideration," the Democratic Party leader said.

DP Spokesman Pak Chi-won confirmed Yi's remarks, saying the redistricting "should be done if necessary."

The realignment of administrative units would include merging cities and counties before the mayoral, gubernatorial and local elections in the first half of next year.

Stories were floated last week that the ruling party was ready to split up Seoul as well because it was concerned an opposition figure would be elected mayor, a position so powerful it is called the no. 2 post after the president, and hamper the administration.

President Kim immediately dismissed the idea, and Yi said Friday that Seoul "can never be" divided.

DP officials said a party leadership meeting early next week will formulate the party's official position on administrative redistricting.

Hanhwa Chairman Receives Suspended Sentence

SK2101035994 Seoul YONHAP in English 0307 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Hanhwa Group Chairman Kim Sung-yon was sentenced to one year in prison with a two-year suspension and fined 4,723 million won (5.83 million U.S. dollars) Friday in a Seoul District Criminal Court for violation of the Foreign Exchange Control Law.

"The accused deserves heavy punishment because he illegally bought a luxurious mansion in a foreign country with a commission he received in relation to overseas business," the bench said in passing sentence.

"But the court grants him a stay of execution, considering that he deeply repents of his actions and that the government is revising the Foreign Exchange Control Law to keep pace with the internationalization era."

Kim was arrested in November and charged with diverting 6.5 million dollars in commissions paid to a Hanhwa subsidiary for a construction deal in Saudi Arabia to buy a home in Los Angeles.

The prosecution demanded Jan. 13 that he be sentenced to three years in prison and fined 5.8 million dollars.

'No Possibility' of Easing Restrictions on Hyundai

SK1701095994 Seoul YONHAP in English 0818 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—The Hyundai Business Group is likely to continue to have a hard time obtaining assistance from Korea Development Bank [KDB] or other state-invested financial organizations as long as group founder Chong Chu-yong remains active in management of the conglomerate, a senior government source said Monday.

The government has reacted coolly to repeated calls for an easing of the financial restrictions from group management, the source said.

Hyundai Chairman Chong Se-yong, a younger brother of Chong, asked President Kim Yong-sam in their tete-a-tete in September for his help in having financial institutions resume financial assistance to Hyundai, and a similar appeal was made to Economic Planning Minister Chong Chae-sok last week, but to no avail, the source said.

Even close aides to the president and some cabinet ministers have tried to persuade Kim to ease the restrictions, but Kim has reportedly hinted that there is no possibility of the government relaxing its position with regard to Hyundai.

Hyundai's relations with the government soured so much after Chong entered politics two years ago that the group has continuously been excluded from the beneficiaries of KDB facility investment loans and other financial assistance.

BAI To Probe Plan To Build High-Speed Rail

SK2001091794 Seoul YONHAP in English 0230 GMT 20 Jan 94

[Text] Seoul, Jan. 20 (YONHAP)—The Board of Audit and Inspection (BAI) told the Transportation Ministry Thursday its decision to build the track and stations of the Seoul-Pusan high-speed railway at ground level rather than underground was made without proper study or consultation with other government agencies, and it has to be reviewed.

In June last year, it was decided to construct the high-speed train stations and tracks in Seoul, Taegu and Taejon at ground level to save 1.43 trillion won.

BAI said, however, that this increases the length of the line from 421.7 kilometers to 430.7 km and boosts trip time from 108.5 minutes to 124 minutes, and instead of saving money it adds to the annual cost by 17.5 billion won. Because the change was decided without sufficient consultation with concerned agencies, a barrage of complaints against building South Seoul Station in a conservation zone and concerning the ground-level track between Taegu and Taejon are causing delays in the project, a BAI spokesman said.

The BAI said it looked into the screening of high-speed train systems fairly and in detail but found no faults, except for some suggestions it cannot reveal because negotiations with the priority candidate, GEC-Alsthom, are ongoing.

Although Maglev trains excel in tests, they cost up to 30 percent more than wheel-on-rail trains, and because they are yet to be commercialized they proved to be unfit for the Seoul-Pusan line, according to the BAI assessment.

The investigative agency also advised using a more realistic means of fund procurement after finding problems with the current plan for obtaining 331.6 billion won, 31 percent of the total cost of 10.74 trillion won, by issuing long-term, short-term and overseas bonds.

Issuance of short-term bonds might raise market interest rates and floatation of overseas bonds is difficult under related laws, BAI noted. It also faulted design of gradient sections for wasting 1.32 trillion won and demanded a revision in tunnel designs.

BAI ordered stronger anti-noise measures since the authorities stated track-side noise levels from passing trains at 86 decibels when they are actually 93 db.

It was also critical of the project's administration as division of work between the Transportation Ministry and Korea High-Speed Railway Authority is unclear and they have too few high-speed railway experts.

Selling Short Ban Lifted To 'Cool' Stock Market

SK1401094594 Seoul YONHAP in English 0658 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—Selling short will be allowed but institutional investors must deposit 20 percent of the purchase price of stock under the measures the Korea Securities Exchange will put into effect on Monday to cool the market.

The Korea Securities Dealers Association decided at a meeting Thursday morning to lift the ban imposed on selling short in May 1990, when the market was depressed.

To sell short is to sell shares borrowed from a broker and then repurchase them for return at a fixed future date.

This is an expansion of margin transactions, where investors buy stock on credit.

Selling short will be limited to shares of companies listed in the first section of the exchange, and a broker may lend no more than 20 million won of shares per investor provided that its total on loan is no more than 50 percent of its equity capital and that the total lending by all brokerage houses is no more than 10 percent of the total listed shares.

The securities industry has long considered reviving short selling in preparation for opening a stock futures market, an event that no longer lies in the distant future.

Institutional investors such as banks, and securities, short-term finance and investment trust firms, must now deposit at least 20 percent of the purchase price with a broker before bidding to buy stock.

Since real-name financial transactions were introduced last August, institutional investors have carried a greater weight in the stock market, and some are suspected of manipulating stock prices by abusing their no-deposit privileges.

Individual investors must deposit 40 percent of the purchase price.

Revised Passport Bill 'Killed' at National Assembly

SK1801041894 Seoul YONHAP in English 0311 GMT 18 Jan 94

[Text] Seoul, Jan. 18 (YONHAP)—Legislation aimed at nullifying the validity of passports held by Koreans overseas who refuse to return to Korea to face indictment appears on the verge of being killed due to formidable opposition from the National Assembly, which argues it contains "elements" that could violate human rights, informed government sources said Tuesday.

The Foreign and Justice Ministries have been studying the possibility of giving changes to the amendment bill so that human rights are not an issue, but they now seem to be leaning toward withdrawing the amendment bill altogether owing to difficulties of setting up practical standards for deciding crimes to be governed.

Foreign Ministry officials said Tuesday that lawmakers of the ruling and opposition parties persistently opposed revising the passport law during the last regular session.

The lawmakers argued, they said, that if the government imposes administrative action, depriving citizens of valid passports just because they are under suspicion of having violated law, it could very well infringe upon individual rights.

If the government, ignoring the diversity of crimes involved, applies the law uniformly and nullifies the passport of every Korean who faces indictment at home, it would not only be fair to all but also produce many Koreans indefinitely staying in foreign countries illegally.

One senior ministry official said the government is studying the possibility of applying the law on those who committed grave crimes and economic crimes, which could receive prison terms of three years or more. But even this idea ran into difficulties, he said.

"As a result, the bill has been scrapped in all practical points of view," he said.

Had the bill been adopted, a number of Korean citizens who are currently staying abroad to escape prosecution could have become illegal aliens in the countries where they live.

These include Kim Chong-hi, a former senior presidential secretary for foreign and national security affairs living in the United States who is under suspicion of receiving bribes in connection with the Yulgok military buildup program, and former Rep. Yi Won-cho, who is staying in Japan to escape investigation of questionable financial dealings.

Quality of Pusan Water Restored to 'Normalcy'

SK1501085794 Seoul YONHAP in English 0824 GMT 15 Jan 94

[Text] Pusan, Jan. 15 (YONHAP)—The Pusan Waterworks Agency reported on Saturday that the water quality of its water treatment plants has been restored to pre-pollution normalcy.

The report said the ammonia and nitrogen content stood at 0.45ppm in treated water at Toksan water treatment plant and 0.48ppm at Hwamyong plant, respectively, Saturday morning, below the tolerable level of 0.5ppm.

A public uproar erupted on Jan. 8 after toxic smell was smelt and a high content of hazardous substances was detected at piped-water in the Pusan area.

The waterworks agency also said no more benzene and toluene were detected at Mulkum and Maeri water intake yards or in piped-water in five separate areas in Pusan on Friday.

Per Capita Income Growth World's Greatest

SK1401103894 Seoul YONHAP in English 0858 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—The good news is that South Koreans became much more richer and in the world's fastest speed, but the bad news is that the country is underdeveloped in most other areas, particularly in environment.

Korea's per capita national income growth was the world's greatest in 1985-1992, with an average rise of 8.5 percent, according to indicators of a creditable institution.

Elementary school enrollment rate was 100 percent for Korea, sharing the top place with France, Britain, Japan, China, and 10 other countries.

"The World Bank Atlas 1994", a book of comparative indicators of population, economy, and environment of 207 countries with the help of the associated United Nations agencies like the International Labor Organization and United Nations Educational, Scientific, and Cultural Organization, was obtained and released Friday by the Finance Ministry.

But Korea showed energy inefficiency with its gross domestic product (GDP) per one kilogram estimated at 3.4 U.S. dollars and scored low in most other indicators in comparison with advanced countries.

Korea ranked 15th with a GNP (gross national product) of 296.3 billion dollars, in the similar line with Australia (299.3 billion dollars) and Mexico (294.8 billion dollars). Per capita national income was 6,790 dollars, the world's 32th.

Per capita income grew 8.5 percent from 1985 to 1992, the world's greatest, and all South Koreans had primary schooling, sharing the priviledge of just 14 other countries. Illiteracy, in result, was just 4 percent.

China topped with the biggest population of 1.17 billion, followed by India with 880 million, and the United States with 260 million. Korea ranked 25th with 44.66 million.

Population growth in 1985-1992 was 1 percent, the world's 57th, and average life expectancy was 71 years old, 61th on the rankings.

Per capita woman employment rate was 34 percent (68th) and child birth per a woman was 1.8, the world's 16th lowest. Under-one infant death rate was 13 per every 10,000 live births, the world's 42th, doubling the number of five in Japan.

Inflation in 1985-1992 averaged 6.8 percent, the world's 68th, and farming share in the GDP was 8 percent (38th), exports portion, 29 percent (66th), and investment accounting for 39 percent (eighth).

Per capita energy consumption was 1,936 kilograms (40th) and GDP estimation of one kg of energy was 3.4 dollars, the world's 76th, just half of Japan's 7.6 dollars.

Withdrawals of water resources in 1970-1989 was 17 percent (32th) and per capital water withdrawals was 299 square meters (65th). Forest area was 65 square kilometers, compared with North Korea's 90 square kilometers.

Foreign Currency Loans Extended to More Firms

SK2101011894 Seoul THE KOREA HERALD in English 21 Jan 94 p 8

[Text] The scope of businesses qualified for foreign currency loans will be extended to purchasers of airplanes and second-hand ships and small- and medium-sized companies which introduce high technologies from abroad, starting from today.

The Bank of Korea has revised foreign currency loan-related regulations in such a way as to expand foreign currency loans to enterprises in a bid to promote corporate facility investment and to lessen companies' financial burden, it said yesterday.

Under the revised regulations, the ratio of foreign currency loans extended to businesses has been raised. The foreign currency ratio for large-sized manufacturers which import facility equipment will be raised from 80 percent of import prices to 90 percent and for small-sized companies, from 90 to 100 percent.

The comparable ratio for enterprises which seek direct investment abroad will also be raised by 10 percentage points to 70 percent of the invested fund for large companies and by 10 percentage points to 80 percent for small companies.

Along with this, a maximum maturity for foreign currency loans will be extended from the current eight years to 10 years, considering long-term fund demands such as importers of plants or airplanes, the central bank said.

The central bank also abolished regulation requiring domestic businesses to acquire prior recommendation from the Ministry of Industry, Trade and Energy when they import facility equipment from Japan.

In the past, the recommendation system was introduced to curb excessive imports of various facility equipment, including machinery.

The central bank also allowed foreign currency-dealing banks to have a free hand in determining grace periods and repayment methods of foreign currency loans raised by themselves.

Meanwhile, the central bank plans to provide $3 billion out of its foreign reserve holdings to foreign currency banks in the first half of the year.

Now, the central bank is offering foreign currency funds at Libor (London Inter-Bank Offered Rate) to foreign currency banks which in turn loan the funds to enterprises at an annual rate of 0.5-1.0 percent above Libor.

Major Corporations Set Export Goals for 1994

SK2101025094 Seoul YONHAP in English 0115 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Samsung Co. has set its 1994 export goal at 10 billion U.S. dollars. The company had exports of 9.72 billion dollars last year.

The seven other general trading companies are Hyundai Corp., with a target of 9.6 billion dollars, Daewoo Corp., 7.6 billion dollars, Lucky-Goldstar International Corp., 4.2 billion dollars, Sunkyong Ltd., 3 billion dollars, Ssangyong Corp., 2.8 billion dollars, Hyosung Corp., 2.5 billion dollars, and Lotte International Co., goal unknown.

When Lotte reveals its goal, the total for the eight general trading companies is expected to be 39.97 billion dollars, up 10.7 percent from 36.16 billion dollars last year.

Their share of total exports is projected to rise from 43.8 percent to 44.7 percent.

Korea Trading International Inc., an export agent for small- and medium-sized companies, has an export target of 220 million dollars.

Firms To Bid for Mobile Phone Network Project

SK2101081794 Seoul YONHAP in English 0258 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Each company wishing to take part in the second mobile phone network project has been given 24 hours to form its own consortium and present a formal application to the Federation of Korean Industries (FKI).

FKI, which was commissioned by the government to form a single consortium for the multibillion-dollar project by next month, had decided Friday to oblige all aspiring companies to form their own consortia by Saturday to be screened for their eligibility, a FKI spokesman said.

It made major headway in its responsibility after the Sunkyong Group, chaired by FKI Chairman Choe Chong-hyon, announced it was dropping out of the project and would instead bid for control of the state-run cellular monopoly, Korea Mobile Telecom, earlier in the week.

The Ssangyong Group followed suit to ease the traffic by giving up its bid for leading shareholder of the second cellular network.

Remaining competitors among the six consortia that vied until Sunkyong won in August 1992, but returned the license over alleged political favoritism, are Pohang Iron and Steel Co., Kolon Group, Dongbu group, and Tongyang Group.

With Sunkyong and Ssangyong giving up, the competition for the leading role in the second mobile project narrows down to Sinsegi Mobile of Posco and Second Mobile of Kolon.

Making all applicants form a new consortium was the best way to solve the complicated problem of allowing just the four companies in the project or randomly giving stakes to any company that wants them, the spokesman said.

Under the decision, the four companies that have long prepared for the business stand in a very advantageous position and other firms that wish to have a stake in the new cellular network will have to join one of the four.

FKI will decide and announce the screening criteria on Monday.

Sunkyong Group Surrenders Cellular Phone Project

SK1701073694 Seoul YONHAP in English 0649 GMT 17 Jan 94

[Text] Seoul, Jan. 17 (YONHAP)—The Sunkyong Group will not join the consortium for the second mobile phone project, instead seeking to be the leading shareholder in Korea Mobile Telecom when part of Korea Telecom's shares in the company go on sale, Federation of Korean Industries (FKI) Executive Vice Chairman Cho Kyu-ha said Monday.

FKI, chaired by Sunkyong Chairman Choe Chong-hyon, was authorized to form a single consortium to carry out the multibillion U.S.-dollar project by late next month.

Getting all of the bidders to form a single consortium and selling stock in state-funded Korea Mobile was the government's way of finally getting the show on the road since Sunkyong had to give up the business license after beating five competitors in August 1992 over suspicion of nepotism as Choe was related to then- President No Tae-u by the marriage of their children.

It now looks as if Sunkyong will be the main stockholder in Korea Mobile, and either POSCO or Kolon the leading shareholder in the new cellular phone company.

In an unofficial board meeting at the weekend, Choe said that his group had decided to give up the second mobile phone project to live up to the expectations of the government and the public and for the sake of business unity.

Ssangyong Group Chairman Kim Sok-won said his group will not seek to be leading shareholder of the new mobile phone company.

That narrows the competition down to Sinsegi Mobile of Pohang Iron and Steel Co. and Second Mobile of the Kolon Group. Dongbu Mobile of the Dongbu Group and Tongyang Mobile of the Tongyang Group did not apply for the leadership position.

After Choe announced that his group was withdrawing, FKI gave its support for Sunkyong to be prime shareholder of Korea Mobile.

With the unanimous support for Sunkyong in its bid for Korea Mobile, POSCO is likely to concentrate on gaining control of the new cellular phone company.

Cable TV Firms To Submit Proposal To Ministry

SK1401044694 Seoul YONHAP in English 0244 GMT 14 Jan 94

[Text] Seoul, Jan. 14 (YONHAP)—Fifty cable television stations proposed to the government Friday average monthly fees of 11,580 won (14.27 U.S. dollars).

Charges will vary by region and number of channels, but the stations in general agree on between 10,000 won and 12,000 won a month. One-time subscription fees, however, vary from 10,000 won in Haeundae, Pusan, to 105,000 won in northwestern Pusan, and average 50,000 won.

Subscribers can tune into 20 channels that range from YONHAP's 24-hour news channel to film and sports as 46 stations have said they will carry all 20 channels. The four other incorporated stations, including one in Kwanak-ku, Seoul, will carry 16 channels, excluding women, music, education and culture channels.

Local channels proposed transmitting local information eight and half hours a day on average, with a regional difference of between one and 15 hours.

The 50 stations predicted subscription rates at 11.33 percent next year, the first year of cable television, rising to 25.3 percent by 1997.

Total capital averages 3.3 billion won with the minimum 2.5 billion won in Inchon and maximum 8 billion won in Chongno and central Seoul.

The stations projected a surplus by 1998 and losses covered some time after 2001.

Most of them said they will not sell advertising at first, but will consider between 5 percent and 50 percent of air time later.

They said they will use Korean equipment 73.7 percent on average. The Information Ministry announced the 50 final stations after a second screening based on public interest and broadcasting ability.

Institute on Competitiveness in Shipbuilding

SK2001041594 Seoul YONHAP in English 0036 GMT 20 Jan 94

[Text] Seoul, Jan. 20 (YONHAP)—South Korea's shipbuilding industry is expected to maintain its competitive edge over Japan as long as there is no great change in foreign exchange rates.

The prediction is based on the facts that Korean shipbuilders can undercut Japanese-built ship prices while they can compete against the Japanese in quality and marketing, according to a report issued Thursday by the Korea Institute for Industrial Economy and Trade.

The report said the general technological level of Korean shipbuilders is below that of the Japanese, but the quality of products, marketing and after-sales service are almost on a par with the Japanese.

In price competition, however, Korean yards are far ahead of the Japanese, offsetting their weak points, it said. Especially because of the rising value of the yen from last year, their competitive power has continued to rise.

As a result, Korean shipbuilders are expected to maintain their edge over their Japanese counterparts as long as the foreign exchange trend keeps up, it said.

Against Chinese shipbuilders, meanwhile, the Koreans lag slightly behind in price competitiveness but Korea far outpaces China in all other aspects including technology, marketing, financing, after- sales service and marketing, it said.

Compared with European shipyards, it said, Korean shipbuilders are far ahead. In other aspects, they are either on a par or slightly ahead of European builders, it added.

Burma

Khun Sa Said To Want 'Heroin-Free' Shan State

BK2301103994 Bangkok THAI RAT in Thai 23 Jan 94 pp 1, 2, 22

[Text] THAI RAT correspondents went to Shan State to interview Khun Sa, who was surrounded by his armed security guards. For the first time, he made known his wish to quit being the number-one drug kingpin. He has appealed to U.S. President Bill Clinton and Prime Minister Chuan Likphai to help the Shan State become heroin-free, instead of spending large sums of money on drug suppression.

The interview with drug warlord Khun Sa or Chang Si-fu, took place after the drug kingpin, who declared himself president of the Shan State Restoration Council, sent his close aide to contact THAI RAT. Khun Sa said he wished to tell the world about the present situation in Shan State, once a major heroin production center. He wished to make known to the world that the Shan State is now heroin-free. He added that he wanted the U.S. President to assist the Shan State in this way instead of dumping huge amounts of money into drug suppression.

The THAI RAT correspondents left with Khun Sa's men for an interview with the drug kingpin. They went north by car for about 75 kilometers from the Thai-Burmese border in Mae Hong Son Province passing ridges and forests. At 1245 on 20 January, they arrived in Shan State where they met Khun Sa, a 60-year-old man whose Thai name is Chan Changtrakun. He was wearing a white shirt, a green field jacket, and blue trousers. He had about ten bodyguards with him and they arrived in a light truck. Khun Sa invited reporters to a house in the middle of the forest where he receives guests.

Then the interview began. Chang Si-fu, the most-wanted drug kingpin with a huge ransom on his head, told THAI RAT that he would like countries playing a major role in narcotics suppression to know that he has given up all narcotics-related activities, and that he wants the Shan State under him to become heroin-free. He asked THAI RAT to relay this message to Prime Minister Chuan Likphai, and U.S. President Bill Clinton.

Khun Sa said that whenever a drug crime was committed, people would point their fingers at him and accuse him of being the source of the drugs. He said that he has closed off the trafficking route. Opium products peddled to the outside world now come from another area close to Shan State where production amounted to some 6,000 tons annually. He admitted that he received a toll on those products. Now that other routes are being used in heroin trafficking, he said he is not earning any money and is short of funds to support the 8 million people in Shan State.

"The United Nations did not pay us any attention. We need help in training for jobs other than opium growing. Shan State is rich in mineral resources. We have forests and blue sapphires. I want the world to be fair to the Shan people. I want Shan State to be heroin-free. But I don't know who is going to believe me. If the Thai prime minister considers this an important issue, he should then coordinate with the U.S. President," he said.

Khun Sa said the Thai Government could turn the Golden Triangle into an opium-free zone. If the Thai Government offers him cooperation, Thailand would become the first country to successfully close off the trafficking route in which Thailand is a transit point. He said he is willing to open up Shan State for investment, trade, and tourism. And as drought is a problem that plagues Thailand annually, he is willing to let the Thai Government divert water from the Salween River for the Thai people.

"If Thailand and the United States are sincere about narcotics suppression at the Golden Triangle, this is a good opportunity because I have quit and I am ready for visits and inspections from every party, in exchange for development of the Shan State. We want to have legitimate contact with the outside world," Khun Sa said.

Comments on Wish for Foreign Aid

BK2201151794 Bangkok PHUCHATKAN in Thai 22-23 Jan 94 pp 1, 4

[Excerpt] Khun Sa, president of the Shan State Restoration Council, spoke in an exclusive interview with PHUCHATKAN. He said that he sent letters to U.S. President Bill Clinton and Thai Prime Minister Chuan Likphai in October and asked for cooperation from the United States, the United Nations, and the Thai Government for his efforts to stop opium growing and heroin production in the Shan State. Khun Sa, or Chang Si-fu in Chinese, during the interview from his stronghold in the central town of the Shan state which is opposite Thailand's Mae Hong Son Province, said that as far as he knew, President Clinton had forwarded the matter to the Thai prime minister and asked the latter to study ways to assist the Thai Yai ethnic people in Shan State to stop growing poppies. Khun Sa said of his bid to lobby for financial funding that he did not have much hope that there would be any assistance from international organizations because most organizations only have tried to paint a negative picture of him as an international outlaw.

Khun Sa, however, did not entirely dismiss a chance for success for his crop replacement plan for the Shan State. He said the campaign to reduce poppy growing and finally root out opium cultivation in Shan State will materialize within five years if there is money for him to implement the crops replacement plan and vocational training projects. Most importantly, he said, the Burmese military government must also stop supporting poppy growing and heroin production. He said: "If opium growing is eliminated in Shan State while Burma continues to allow it, the Thai Yai people in Shan State will be forced to run away and join with Burmese troops so that they can continue to make a living by growing poppies." [passage omitted on Khun Sa's political goals]

Guards at Aung San Suu Kyi's Home Withdrawn

BK2301084894 Hong Kong AFP in English 0638 GMT 23 Jan 94

[Excerpt] BANGKOK, Jan 23 (AFP)—All of the soldiers guarding the home of Burmese dissident and Nobel laureate Aung San Suu Kyi have been withdrawn, western diplomats in Rangoon said Sunday.

"They are gone from the outside of the house. I don't know about the inside," one diplomat said when reached by telephone from Bangkok. A second western diplomat, also contacted by telephone from Bangkok, confirmed that said the guards were absent from outside the house.

"I passed along (the street in front of) her residence last night and the two guard boxes were not there any longer," he said, speaking on condition of anonymity. The second diplomat also said there still could be guards inside the residence, and speculated they could have been pulled from outside the house to make the military government look good to the increasing number of tourists visiting Rangoon.

"It is too soon to draw any conclusions, but it is definitely the first time (the guards have been withdrawn) since she was put under house arrest" on July 20, 1989, he said.

The first official, who also declined to be identified by name, refused to speculate as to why the soldiers guarding the complex on Rangoon's University Avenue had been withdrawn.

"But I don't think it is terribly significant," he said. [passage omitted: background]

Further on Removal of Guards

BK2301115694 Hong Kong AFP in English 1105 GMT 23 Jan 94

[By Jim Hatton]

[Excerpts] BANGKOK, Jan 23 (AFP)—Long an irresistable magnet for visiting journalists and tourists alike, the high profile soldiers and security police guarding the Rangoon home of Burma's most high-profile dissident Aung San Suu Kyi have been withdrawn, diplomats there said Sunday.

An AFP reporter in Rangoon confirmed the armed guards and wooden guard boxes on either side of the entrance to her home had been removed. But security remained tight outside the house and there was no indication the status of the 1991 Nobel Peace Prize winner—who has been under house arrest since July 20, 1989—had changed.

The section of the road leading to her lakeside compound on University Avenue remained barricaded to traffic at night and security inside the house was believed to still be tight as well.

The military government did not announce the move and Burmese officials could not be reached for comment. But sources said the junta probably was tired of scores of foreign reporters visiting the house and taking forbidden photographs, and the removal of the uniformed guards and police likely was intended to make the house look more like others in the area. [passage omitted]

The Rangoon government has said the diminutive dissident, the daughter of Burmese independence hero Aung San, may end her "restriction" any time she wants—as long as she leaves Burma. But Aung San Suu Kyi has refused to go into exile, knowing her continued detention attracts worldwide attention.

Officials Deny Suu Kyi To Be Released

BK2301105794 Bangkok THE NATION in English 23 Jan 94 p A4

[By Yindi Loetcharoenchok in Rangoon]

[Text] THE fate of Burma's detained popular leader Aung San Suu Kyi remains uncertain despite earlier speculation she will be released in July, five years after she was placed under house arrest. It is, however, obvious that the ruling State Law and Order Restoration Council (Slorc) has no immediate plan to set her free and has instead devised legal measures to continue her unlawful detention and to bar her future participation in Burmese politics.

There remains ambiguity over the state of Suu Kyi's detention and her freedom, but a group of Slorc's legal advisers told visiting foreign reporters on Friday that she will not be released when her five-year term of detention expires on July 20.

They ambiguously explained that Suu Kyi, the 1991 Nobel Peace Prize laureate and the most outspoken critic of the military's heavy-handed policies against prodemocracy demonstrations can be held up to six years according to "existing laws". They also strongly rejected the term "detention" used to describe Suu Kyi's house arrest, arguing that it is only a "restriction" and that the military rulers have been dealing with her "leniently".

Five of Slorc's legal experts led by Chief Justice U Aung Toe and Attorney General U Tha Tun told a press conference Suu Kyi's house arrest "was not decided by the court", but by the "existing laws which stipulate that her restriction period will not be construed as expiring on July 20 this year".

They said her case "is an executive issue and not a legal issue", and that "at the decision of a three-member central body a person can be restricted up to one year, and at the decision of the government a person can be restricted up to five years". The central body, they said, comprises the ministers of foreign affairs, home affairs and defence.

Burmese and foreign observers here said it was the first time they had heard of the existence of such a central body which could arbitrarily sentence people to a year in prison. They believe Slorc will amend the laws to extend Suu Kyi's detention and that she will not be released until a new Constitution is drafted and promulgated, with many provisions that will restrict her political role in Burmese politics.

The Slorc's appointed National Convention resumed its meeting on Jan 18 after a four-month break to discuss the three sensitive issues of the state presidency, the state and its structure. It is clear from the detailed and lengthy opening speech of Chief Justice U Aung Toe, also chairman of the National Convention's work committee, that all the guidelines and qualifications for a new charter have already been devised to bar Suu Kyi, a mother of two sons whose husband is a British professor at Oxford University, from running in the presidential elections.

Although Aung Toe urged the 668 delegates to exchange views on the three issues, it was obvious from his speech they were being warned not to stray from "basic principles" which had already been laid down.

Among other qualifications, the presidential candidate is required to be rich in political, administrative, economic and military experience and must have resided continuously in the country for at least 20 years. Moreover, the candidate, his parents, spouse, children and their spouses are not to owe allegiance to a foreign power, must not be subjects or citizens of a foreign power, and must not be entitled to the rights and privileges of a subject or citizen of a foreign power.

Attorney General U Tha Tun, also a member of the convention's working committee, said two previous constitutions in 1947 and 1974 also stipulated that the state president should not owe allegiance to a foreign power.

Minister Cited on Truce Ceremony With Kachins

BK2301112194 Bangkok THE NATION in English 23 Jan 94 p A4

[By Yindi Loetcharoenchok in Rangoon]

[Text] THE Burmese junta expects to hold a ceasefire ceremony with Kachin forces in the north of the country, by early next month. The occasion, in Myitkyina, will mark the official end to armed hostilities which began when the Kachin formed the Kachin Independence Organization and its armed wing in 1961 to fight Rangoon for greater autonomy.

Despite a ceasefire deal, the Kachin will retain their arms and ammunition as the two sides have yet to resolve political issues of power sharing and greater autonomy for the Kachin State.

Lt Gen Khin Nyunt, for the State Law and Order Restoration Council, and the Kachin chief of staff, Brig Gen Zau Mai, will represent their respective sides at the ceremony which will also include some festivities.

Lt Gen Maung Thint, minister for development of border areas and ethnic minorities, said in an interview on Friday that there would be no signing of a truce agreement at the ceremony.

The Kachin group, like nine other armed ethnic groups which have earlier struck ceasefire deals with Rangoon, will be allowed to retain its weapons for safety reasons.

"There will be no signing of a peace treaty. It is like a pledge between the government and the group and will take place by the end of this month or beginning of next month," he said through interpreters.

"The deal (with the Kachin) will be like that with other groups. We will assist them as we do the other groups. We will allow them to hold arms for their own safety, not for hostilities, and the government has pledged to cooperate with them in implementing development projects in their areas," he added.

Maung Thint said that eventually a peace accord worked out between the government and the rebel groups will include the laying down of arms.

In an interview later the same day, Col Kyaw Win, deputy director of the powerful Directorate of Defence Services Intelligence, said the Kachin Independence Army (KIA) will have to disarm itself if it wants to participate in the National Convention, which is in the process of drawing a new constitution, or if it wants to establish a political party.

A Kachin official, speaking during a long-distance telephone interview yesterday, said he had no comment at the moment about the Slorc-KIA ceasefire ceremony. He added that the KIA wants to see a nationwide ceasefire and that it was still too early to comment about eventual disarmament.

Col Kyaw Win said separate negotiations between Rangoon and two remaining armed ethnic forces, the Mon and Karenni, which are active along the Thai-Burmese border, are still in progress and that he expects the groups to reach a ceasefire deal with Slorc within the next two to three months. He said official negotiations between Rangoon and the strongest remaining ethnic rival, the Karen, could take place soon, and that the two sides have already held preliminary talks in Thailand.

The intelligence officer said official Slorc-Karen meetings have to be held in Burma as Rangoon considers the matter an internal issue.

KNU on Terms for Peace Talks With SLORC

BK2201095394 Bangkok BANGKOK POST in English 22 Jan 94 p 6

[Text] Mae Hong Son—The Karen National Union [KNU] insisted yesterday that it will join the State Law and Order Restoration Council [SLORC] at the negotiating table only if the talks are held on equal terms with an ultimate goal of full freedom and rights for all Burmese citizens.

KNU president Gen Bo Mya told 500 guests, who attended his 67th birthday celebrations at his Manerplaw camp opposite Mae Sariang district, that the Karen always wanted national reconciliation but their three offers for peace talks had not received any response from SLORC. Gen Bo Mya criticised other minority groups for giving up their armed struggle against Rangoon.

"The KNU will definitely conduct peace talks with SLORC if the negotiations are on equal terms to sincerely obtain rights and freedom in all economic, social and political fields for all Burmese groups. The peace agreement reached separately with various minority groups does not guarantee a true peace."

Gen Bo Mya, who leads the strongest anti-Rangoon minority group, said the KNU would not join SLORC at the negotiating table until Rangoon accepted all these conditions.

The truce talks, if agreed on, could be held in a third country such as Thailand which cherished "the constructive engagement" policy with SLORC, Gen Bo Mya said.

KNU To Include Rights in Talks

BK2301111694 London BBC in Burmese to Burma 1345 GMT 21 Jan 94

[Report by Larry Jagan from the "Current International Affairs" program]

[Text] The Karen National Union [KNU], the strongest armed minority group in Burma, is still hoping to hold peace talks with the State Law and Order Restoration Council [SLORC] jointly with other minority groups.

In his birthday speech to members of the Burmese opposition groups gathered at Manerplaw yesterday, General Saw Bo Mya reassured them the KNU will hold talks with the SLORC in accordance with the principles laid down by the Democratic Alliance of Burma [DAB]. Gen. Saw Bo Mya also stressed the need for continued unity in the opposition movement. Larry Jagan, in his report, noted the 12 students detained at Manerplaw were released in view of this desired unity.

A report from the group leader of the All Burma Students' Democratic Front [ABSDF] and other sources claimed ABSDF leader Moe Thee Zun is now safe and secure. An opposition source at the Thai-Burma border noted the KNU released the 12 students detained on Sunday. The students also explained that the misunderstandings have now been cleared. According to yesterday's announcement of the National Council of the Union of Burma [NCUB], which includes the armed minority groups, students, and Dr. Sein Win's National Coalition Government of the Union of Burma [NCGUB]—a Burmese opposition group, the students were not really detained but instead were holding talks with KNU leaders. An opposition source said the KNU is worried about students taking KNU-supplied arms out of KNU- controlled areas, which they agreed not to do from the very beginning. The NCUB announcement claimed no problems exists between the KNU and the student armed wing and other allied groups.

An opposition source from the border explained the students are getting very worried about their position since all the opposition minority armed groups are holding peace talks with the SLORC military government. According to the source, Gen. Saw Bo Mya personally affirmed the students have nothing to worry about and that they are always welcome. Gen. Saw Bo Mya also guaranteed the safety of the students in KNU-controlled areas. There is no doubt differences in opinion existed between the students and the minority groups in connection with the cease-fire talks. At a meeting held in Manerplaw a few days ago, members of the NCUB emphatically stressed the need for unity in the entire opposition movement. At present, although some members still criticize and condemn the SLORC's peace talks with individual groups, they also want to prevent the disintegration of the opposition movement. All the member groups understand that if the opposition movement disintegrates, it will become favorable for the SLORC who desires to crush the opposition.

The KNU leader, Gen. Saw Bo Mya, reiterated in his speech at his 66th birthday celebrations held at Manerplaw yesterday, that the KNU prefers all opposition groups to hold peace talks with SLORC together. Gen. Saw Bo Mya noted, although the KNU will hold peace talks, it will also discuss human rights issue, the freedom of all national races, and other political problems with the SLORC. He said the peace agreement reached separately with various minority groups does not guarantee a true peace in Burma. Next, Gen. Saw Bo Mya appealed to all other armed organizations to work for national reconciliation and urged them to participate in the roundtable peace negotiations with SLORC. A KNU spokesman said no date has yet been fixed for the first preliminary peace talks between the KNU and SLORC.

Although the KNU leader has been insisting the peace talks be held in Bangkok, most observers expect the talks to be held in Yangon [Rangoon]. The Thai foreign minister, Prasong Sunsiri, said yesterday the Thai Government will consider accepting the peace talks proposal only when the SLORC government legally informs the Thai Government.

Dissident Groups Disagree Over Reported Detentions

BK2201163794 Hong Kong AFP in English 0622 GMT 22 Jan 94

[Excerpt] BANGKOK, Jan 22 (AFP)—Two Burmese dissident groups disagreed Saturday on whether 12 student leaders had been detained by the Karen National Union (KNU) in the ethnic group's border headquarters at Manerplaw.

A member of the All Burma Students Democratic Front (ABSDF) told AFP by telephone that the group's leader, Moe Thee Zun, and 11 others had been held briefly by the KNU last week and freed unharmed. But a Bangkok spokesman for the National Council for the Union of Burma (NCUB), the umbrella organization of the dissident groups, said the Karens had not held the students and a NCUB statement denying reports of the detention was accurate.

The statement said the students were holding talks with the Karens to "prevent...any misunderstanding...in connection with the KNU's decision to hold talks individually with the SLORC [State Law and Order Restoraion Council]. There is no serious problem between the KNU and the Student Army or any other ally."

The Karen National Union and the student's group are apparently at odds over the Karens' decision to seek separate peace talks with the State Law and Order Restoration Council (SLORC), as the Rangoon junta is called. The students want to maintain a united front, but other opposition groups have backed the Karens, the oldest and most powerful opposition group. [passage omitted]

Threat of Fines Causes Big Turnout at Rallies

BK2301104594 Bangkok THE SUNDAY POST in English 23 Jan 94 p 5

[Excerpt] CITIZENS faced a fine for non-attendance at mass rallies held across Burma during the past week, and schoolchildren risked automatic failure in their exams, said a western embassy source in Rangoon.

The rallies, organised by the military government's new Union Solidarity and Development Association (USDA) were designed to obtain the people's approval for six motions aimed at "the emergence of a peaceful, prosperous and modern nation". They took place at Rangoon, Mandalay, Meikthila, Taunggyi and in other cities.

On Thursday at Pegu, 80 kilometres northeast of Rangoon, 120,000 people were reported to have assembled at the district sports stadium for what was the first major political gathering in the city since the demonstrations against military rule in 1988. People congregated at 5.30 a.m., before marching behind banners along four different routes from different quarters of the city. Some 25,000 came from the west of Pegu alone and passed the site of a massacre in August 1988, where seven students were shot dead when they confronted the military in the popular democracy uprising that claimed the lives of thousands of Burmese citizens. The four groups met around the towering Shwemawdaw Pagoda, which overlooks the district stadium.

Only a fraction of those who arrived could fit inside the stadium where USDA officials, including the Central Executive Committee Member, U Pan Aung, addressed the rally. People started dispersing from around the Pagoda soon after the meeting had started.

State media reported that six motions were "unanimously approved" by over 120,000 at the rally.

On the previous day, USDA representatives toured the city in vehicles with loudspeakers announcing that at least three members of each family should attend. A railway worker said that he could not afford to be absent from the meeting or he would be fined 200 kyat (equivalent to US$1.70 on the black market).

"For 200 kyat," the man said, "I can feed my wife and three children for two days."

The procession to the stadium was marked in part by a carnival atmosphere, with musicians and marching bands. The military presence was low other than at the entrance near the stage, where the USDA officials addressed the rally.

A private tutor in the stadium remarked that most Burmese easily forgot the sufferings of the past, but remained sceptical of USDA rhetoric.

"They are happy just to exist," he said. He thought they would not have attended without the threat of a fine. [passage omitted]

Four ABSDF Members Reportedly Surrender 5 Jan

BK2201150894 Rangoon Radio Burma in Burmese 1330 GMT 22 Jan 94

[Text] Members of the jungle-based armed organizations have been continuously returning to the legal fold along with their arms and ammunitions at various garrisons. They have accepted and have faith in the genuine goodwill and activities of the State Law and Order Restoration Council. Four members of the armed organization All Burma Students' Democratic Front—Private Saw Ba Moe, Private Kyaw Tun Sein, Private Hla Htoo, and Private Win Nyunt belonging to Regiment-103—returned to the legal fold at Sittaung Bridge Garrison of the local command at 1400 on 5 January. They brought in one RPG, one AK-47 assault rifle, one M-16 assault rifle, one M-79 launcher, 10 assorted projectiles, 25 assorted ammunition, and two magazines with them.

Cambodia

Ranariddh, Hun Sen Return From PRC 21 Jan

BK2201090794 Phnom Penh AKP in French 0412 GMT 22 Jan 94

[Text] Phnom Penh 22 Jan (AKP)—The delegation of the Royal Government of Cambodia led by Prince Krompreah Norodom Ranariddh and Hun Sen, first and second prime ministers, returned to Phnom Penh on Friday [21 January] after an official five-day visit to China at the invitation of the Chinese premier.

The delegation met with a PRC Government delegation led by Premier Li Peng during the visit. The meeting was followed by the signing of an agreement by the Cambodian deputy prime minister, Prince Norodom Sirivut, and the Chinese State Council vice chairman. The agreement concerns a 50-million-yuan interest-free loan from the Chinese Government to the Kingdom of Cambodia. The delegation visited the center of industrial development in Hainan and a textile factory in Guangdong. Cambodia's royal delegation also visited His Majesty Norodom Sihanouk, king of Cambodia, who is taking medical treatment in the Chinese capital.

The delegation was received on its return at Pochentong airport by Sar Kheng, deputy prime minister and minister of interior and public security; Chem Snguon, state minister and justice minister; Sam Rangsi, state minister and minister of finance and economy; and other high-ranking officials.

The representative of the diplomatic corps of the PRC to Cambodia was also present.

KR Leader Says Ranariddh Accepts King's Plan

BK2401022394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jan 94

["Reply from His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, to Prince Krompreah Norodom Ranariddh, chairman of FUNCINPEC, concerning the king's five-point initiative and the establishment of the technical group"—read by announcer]

[Text] After receiving a telegram from His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK], dated 15 January 1994, Prince Krompreah Norodom Ranariddh sent his representative to verbally inform H.E. Khieu Samphan of his answer. In this answer Prince Krompreah Norodom Ranariddh specified that the king's five-point initiative is fully accepted and that this will be used as the basis for talks within the technical group and that all points will be implemented at the same time. Furthermore, Prince Krompreah Norodom Ranariddh also agreed that the technical group does not have to have a name and he asked that the technical group start its work immediately.

It must be made clear that the representative of the Phnom Penh side has also demanded to be included in this technical group without yet accepting the king's five-point initiative.

On the morning of 21 January 1994, directed by PDK Chairman H.E. Khieu Samphan, the PDK representative in Phnom Penh met with the representative of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], Chairman Prince Krompreah Norodom Ranariddh, and verbally informed Prince Krompreah Norodom Ranariddh of H.E. Khieu Samphan's answer, the essence of which is as follows:

1. After thanking Prince Krompreah Norodom Ranariddh for sending his representative to verbally convey the message on 17 January, H.E. Khieu Samphan noted that in the message Prince Krompreah Norodom Ranariddh stated that the king's five-point initiative has been fully accepted; that this will be used as the basis of talks within the technical group; and that all points will be implemented at the same time.

2. As for the Phnom Penh side, it has categorically opposed the king's five-point initiative in successive open statements and in concrete actions.

Recently, the representative of the Phnom Penh side on 7 January 1994, and subsequently, openly stated that the PDK should first implement the first three points before discussing other issues. This is in fact opposing the king's five-point policy. Furthermore, national resources have been used to buy ammunition, weapons, and military materiel, in an attempt to smash Democratic Kampuchean forces to prevent national reconciliation.

3. In brief, it can be seen that Prince Krompreah Norodom Ranariddh and H.E. Khieu Samphan, namely, FUNCINPEC and the PDK, have agreed to and accepted the king's five-point initiative. Therefore, the technical group should start working straightaway with FUNCINPEC and PDK representatives.

4. The Phnom Penh side—which talks about a three point scheme in opposition to the king's five-point initiative—cannot take part in the talks on the five-point political guideline. When the Cambodian People's Party accepts the five-point advice, its representative will be added to the technical group.

It should be this way so as to clearly indicate that we accept King Sihanouk's five-point initiative as the basis for talks within the technical group, because the technical group's task is to discuss and talk about political issues with a specific agenda.

It should be stressed that the Buddhist Liberal Democratic Party has also supported the king's five-point initiative.

Sihanouk Message on Health, Other Issues

BK2201083294 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 21 Jan 94

["Royal message" to the nation from King Norodom Sihanouk in Beijing; date not given—recorded]

[Text] I would like to extend highest respects to the two supreme patriarchs, Venerable Patriarchs Khousananda, Pouthiveang, and Mongkoltepeacha and to all venerable monks; I would like to extend my greetings, profoundest love, and everlasting faithfulness to wisemen, nuns, brothers, sisters, children, grandchildren, great grandchildren, and all compatriots male and female alike:

I take this opportunity as the royal government of our Cambodian nation—led by Prince Krompreah Norodom Ranariddh, first prime minister, and His Excellency [H.E.] Hun Sen, second prime minister—is paying an official visit to the PRC, the great nation and friendly country, to send this message to the supreme patriarchs and venerable monks as well as wisemen, nuns, brothers, sisters, children, grandchildren, great grandchildren, and all beloved and respected compatriots male and female alike. The message is as follows:

1. The cancerous disease in my body has been gradually cured. The cancer that remains in my spinal cord is being cured, but slowly. This is because my prominent Chinese doctors dare not use medicine too strong in the treatment considering my age and other illnesses, such as my veins and arteries which have hardened due to [words indistinct] and my heart disease. Using drugs that are too strong in this kind of medical treatment might affect my heart and so forth. A number of the most prominent PRC doctors, the very kind brothers, recently met and discussed new methods to more effectively eliminate the cancer in my spinal cord. My cancer is a very serious illness. This is why I need many more months to complete the treatment, despite the effective and very thorough care given my these most prominent doctors. Although I am not yet cured 100 percent, I will certainly return to our motherland in April 1994 to meet and join all beloved and respected compatriots in celebrating our traditional new year.

2. I would like to zealously appeal to my Khmer Rouge [KR] children from the Party of Democratic Kampuchea to please stop planting mines in our country and to stop destroying our nation's roads and bridges. The grenades and mines planted inside our territory have caused and are causing miserable harm to our compatriots, civilian, old and young, and male and female alike. Every month, victims, male and female alike, die or become cripples for the rest of their lives. Our country is known to have more disabled persons, amputees due to grenades and mines, than any country in the world. This is the [words indistinct].

I would like once again to appeal to the children who plant mines to completely stop all these crimes against our people.

All roads and bridges are vitally important to our innocent people and our motherland. Those roads and bridges do not serve Vietnam. They serve only the interests of our society and the economy of our Cambodian people and motherland.

At present, our Cambodian motherland has been classified as one of the poorest and most underdeveloped countries in the world. This is a great shame to our motherland, our nation, and every Cambodian.

Those children who have planted mines, destroyed houses, villages, and the property of our people as well as ruined our nation' roads and bridges—if you really are patriots, you should completely and permanently stop from now on all acts to destroy the people and your own country.

3. I would like to insistently appeal to all children who have chosen the wrong way of living by becoming robbers; thieves; and bandits, who mercilessly killing both their own fellow Cambodians and foreigners, to permanently end all of your crimes. These vicious activities degrade your honor as well as the prestige of our nation and race and our Cambodian motherland.

I know that a large number of you have become thieves, robbers, and bandits, who kill people, after you have experienced great misery in your families. Most of you have chosen these vicious and criminal activities after you have felt despair. I will ask our Royal Cambodian Government [RCG] to grant you complete pardon if you agree to come out to see Prince Krompreah Norodom Ranariddh and H.E. Hun Sen, the two prime minister of our RCG; pledge to stop robbing, plundering, and killing people; and agree to come out to lead a life like all other ordinary citizen and render yourselves worthy of being the sons of independent Cambodia and our Angkor motherland. The RCG will not forget all of you who [words indistinct] and will seek honest jobs for you.

In conclusion, I would like to extend best wishes to the two supreme patriarchs, Patriarchs Khousananda, Pouthiveang, and Mongkoktepeacha; all venerable monks; wisemen; nuns; brothers; sisters; children; grandchildren; great grandchildren; and all beloved and respected compatriots. May you enjoy Lord Buddha's five blessings—longevity, social prestige, happiness, strength, and enlightenment.

Austrian Foreign Ministry Delegation Arrives

BK2201094594 Phnom Penh AKP in French 0407 GMT 22 Jan 94

[Text] Phnom Penh 22 Jan (AKP)—A delegation from the Austrian Foreign Ministry led by its deputy minister, Wolfgang Schallenberg, arrived in Phnom Penh on Friday [21 January] for an official five-day visit to Cambodia.

The delegation was greeted at Pochentong airport by Uch Kim-an, state secretary for foreign affairs and international cooperation, and other Cambodian personalities.

The Austrian deputy minister will meet with Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, and those in charge of the ministries of information and industry.

The delegation plans to visit Angkor Wat in Siem Reap Province on Monday before leaving the next day for Ho Chi Minh City, Vietnam.

Ministers Meet Visiting Austrian

BK2201152594 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 22 Jan 94

[Text] This afternoon His Excellency [H.E.] Ing Kiet, state minister and minister of public works and transport; and H.E. Pu Sothirak, minister of industry, mines, and energy, together received H.E. Wolfgang Schallenberg, Austrian deputy foreign minister. The talks concerned the plan to repair the Kirirom hydropower network.

H.E. Austrian Deputy Foreign Minister said that a plan to restore the Kirirom hydropower network, worth about $11 million, will be signed between Austria and Cambodia in the near future. Austria will dispatch technicians to carry out this plan. The Kirirom hydropwer station was built in 1965 by the former Yugoslavia and was operational in 1968. This station provided up to 10,000 kilowatts of power during the rainy season and about 5,000 kilowatt in the dry season. Many parts, however, have been damaged since 1970 when the hydropower station was abandoned.

Austria and Sweden have been authorized by the Royal Government of Cambodia to study the plan to restore this hydropower network. Austria plans to provide about $11 million for the project and another $46,000 for protection and mine clearing in the Kirirom area.

Philippines

Communist Guerrillas Claim Murder Responsibility

BK2401041894 Manila PHILIPPINE DAILY INQUIRER in English 19 Jan 94 p 13

[Text] Communist guerrillas yesterday claimed responsibility for Monday's killing of a security officer in an automotive parts manufacturing company in Kalookan City.

The ambush came two days after the Alex Boncayao Brigade (ABB) released to media its target list of 345 lawmen, officials and civilians allegedly involved in drug trafficking, kidnapping, prostitution and gambling.

Killed was Carmelito G. Valmonte, 62, a retired inspector at the Western Police District Command. He died on the spot after sustaining four gunshot wounds, police said.

Four men and a woman reportedly opened fire with .45 caliber automatics on Valmonte as he was driving out of the compound of UE Automotive Manufacturing, Inc. (UEAMI) where he was security officer.

Paulo Ramirez, ABB spokesman, told the INQUIRER over the telephone that Valmonte was responsible for the violent dispersal of a workers' strike at the firm last year.

He said three workers were shot during the dispersal, one of whom was seriously wounded and his foot had to be amputated.

Ramirez said Valmonte was not on the ABB list but is considered "an enemy of the people and the revolution."

Mayor Alfredo Lim denounced the killing as "cowardly" and directed Senior Superintendent Hermogenes Ebdane, Manila police chief, to place his entire police force on alert.

Superintendent Romeo Maganto, Manila police chief for administration, said the 6,000-strong Manila Crusade for Peace and Democracy (MPCD) will be tapped to neutralize the ABB threat.

Maganto said the MCPD will serve as an intelligence network to gather information on the activities of suspected ABB members.

"We are not alarmed and we are not afraid. Mga langaw lang sila na nakadapo sa kalabaw (They are merely flies sitting atop a carabao)," Maganto said.

Maganto said several ABB leaders operating in Manila have already been identified, adding it would only be a matter of time before they are captured.

President Ramos himself has acknowledged the capability of ABB assassins to launch a fresh wave of attacks against hundreds of lawmen and officials allegedly engaged in crime and corruption.

Mr. Ramos said he has ordered a close watch on the ABB.

The Communist Party of the Philippines, led by Jose Maria Sison, ordered the ABB to disband in 1992 amid a public outcry against its indiscriminate killings. But anti-Sison cadres in the ABB defied the order.

'Suspected' Communists Burn Passenger Bus

BK2401032494 Manila PHILIPPINE DAILY INQUIRER in English 19 Jan 94 p 1

[By Charlie C. Senase]

[Excerpt] Cotabato City—Suspected communist rebels torched a passenger bus in Maasim, Sarangani, on Monday after the bus firm refused to pay "revolutionary tax," police said yesterday.

Senior Superintendent Jovito Sales, police director for Central Mindanao, said the bus of the Yellow Bus Line (YBL) was travelling from Kiamba, Sarangani, to General Santos City when it was blocked by about a dozen suspected New People's Army (NPA) guerrillas. Thirty of their comrades served as lookouts near the highway, police said.

The armed men ordered all passengers to alight and bring with them their belongings, witnesses told police.

They then poured gasoline all over the vehicle before setting it on fire.

No one was hurt or molested, police said.

Yellow Bus Line plies routes in South Cotabato, Sultan Kudarat, North Cotabato, Bukidnon and Davao.

Sales said the YBL management, prior to the incident, had received notes and letters demanding that the company pay "revolutionary tax" to the communist rebels. [passage omitted on unrelated road accident]

MILF Members Killed in Battle With MNLF

BK2401015094 Quezon City MALAYA in English 20 Jan 94 pp 1, 3

[By Edwin Fernandez]

[Text] Pikit, North Cotabato—Eight men of the Moro Islamic Liberation Front (MILF) and a two-year-old boy were killed Friday in a battle with elements of the Moro National Liberation Front (MNLF) in Barangay [village] Balatikan here, the 6th Infantry Division spokesman said Wednesday [19 January].

Army Major Julasiri Kastiri, of the Army's 35th Infantry Battalion, said only two of the MILF fatalities were identified. They were Commander Camid Abalos and Commander Tatuan Mantukan, both of Barangay Kudal, Bagalungan, Maguindanao.

The identity of the child, who was hit by stray bullet, was also not immediately known.

Kastiri said some 100 MILF guerrillas on Friday came to Barangay Balatikan, burned two houses and carted away personal belongings of the farmers including an undetermined number of cattle.

MNLF rebels also operating in Barangay Balatikan defended the village and engaged the MILF guerrillas in a two-hour firefight.

The MILF rebels were led by Commanders Pakil Ayunan, Jack, Pendatun, Taez and Sumakon. Leaders on the MNLF side were Commanders Abdul Karim, Bacri and Kainudin Batoon.

Commander Pakil Ayunan is reputedly North Cotabato's most wanted criminal, tagged by police as the culprit in the massacre of 18 Christian farmers in Carmen town last 25 December.

He was also said to be responsible for a series of cattle rustling and harassment in the province.

The encounter site was five kilometers away from a government irrigation project in Barangay Maridagao where the MILF rebels were engaged as security men of a Korean construction firm, Shinsung Corporation.

A platoon of army troopers was dispatched to Balatikan to normalize the situation there after hundreds of residents fled to nearby villages.

Thailand

Official on Burmese Government-Rebel Pact

BK2401013794 Bangkok BANGKOK POST in English 24 Jan 94 p 6

[Text] National Security Council secretary-general Gen Charan Kunlawanit says he is very satisfied with a compromise reached between Burma's rulers and some minority groups on a ceasefire ahead of peace talks.

The Burmese junta recently held peace talks with Kachin rebels in the north and with the Mon.

More talks were expected with other dissident minority groups such as the Karen and those in Shan state, Gen Charan said.

Earlier, the Karen National Union [KNU], the strongest anti-Rangoon minority group, called on the ruling State Law and Order Restoration Council to hold peace talks on equal terms with all minority groups to ensure rights and freedom in all economic social and political fields.

The KNU threatened not to talk if its conditions were not accepted by the SLORC.

Western sources criticised Rangoon's move as a deceitful tactic to get minorities to bow down to the junta.

They cited the government's refusal to release Nobel Peace Prize winner Aung San Suu Kyi who has been under house arrest for five years.

Gen Charan said he did not know if Aung San Suu Kyi might be released, but he disagreed with the criticism, saying there was no reason for the junta to play a trick on the minorities as it might stir hatred and resistance.

"The Burmese junta is trying to be more open to the world community as the West is condemning its undemocratic system," said Gen Charan.

"However, we have to accept that change needs time.

"Thailand always supports peace talks and clings to the belief that any slaughter of minorities should be condemned by the world community."

Gen Charan spoke of Thailand's neutral stance on Burmese affairs, saying the Government would not interfere with the conflicts even though some minority groups which did not trust the Burmese government were asking for help from Thailand.

The talks might proceed well, he said.

One thorn still obstructs the peace in Burma, according to Gen Charan, as the junta has to attack the strongholds of opium warlord Khun Sa, who is notoriously influential in Shan State.

Khun Sa's group is believed to survive on money gained from trading in narcotics.

Shan State used to be the homeland of Thai Yai, but is now occupied by Chinese Haw and hill-tribe people.

Thailand and Burma are expected to hold talks on the opening of Tah Kee Lek checkpoint opposite Mae Sai district as the Burmese government is relaxing its regulations by allowing foreigners to cross the Thai border.

The move is to promote trade and tourism.

Tah Kee Lek used to be a permanent checkpoint but was closed after political upheavals in Burma.

Since then it has been opened on a temporary basis.

Chuan: Khun Sa Proposal Not Thai Business

BK2401053594 Bangkok SIAM POST in Thai 24 Jan 94 p 2

[Text] Prime Minister Chuan Likphai spoke with newsmen on 23 January while on an inspection trip to Phetchabun Province about the proposal of Khun Sa, a world-renowned narcotics king and Shan State leader, for Thailand to help the Shan State become a narcotics-free zone. He said the Khun Sa question is Burma's business, not Thailand's. He added that Thailand cannot become involved in the issue.

In an earlier interview, Khun Sa said he wanted to create a heroin-free zone in Shan State. He urged Thai Prime Minister Chuan Likphai to coordinate with U.S. President Bill Clinton in pushing for a realization of the zone in order to avoid having to set aside funds for narcotics suppression. The purpose of Khun Sa's move is to gain the international community's recognition of the Shan State as an independent territory. Khun Sa asserted that the Shan State Government under his leadership has not supported opium cultivation; however, it has not been able to prevent its people from engaging in such cultivation.

Government Troops Seize South Separatist Camp

BK2301095994 Bangkok THE SUNDAY POST in English 23 Jan 94 p 4

[Text] YALA—A camp of the Barisan Revolusi Nasional (BRN) separatists in Kabang sub-district was seized by a government patrol after a clash yesterday morning.

The clash occurred around 7.50 a.m. when the army patrol from the Civilian-Police-Military Command 43 under Capt Thara Panyachan launched a surprise attack on a hilltop camp near Ban Cho Ludi in Tambon Bala.

About five bandits, believed to be led by Suwa Khao of the BRN, fled the camp after the 20-minute battle.

The government force, on the seventh day of its patrol, seized five huts and some food.

Vietnam

Ministry Reasserts Sovereignty Over Spratlys

BK2201102694 Hanoi Voice of Vietnam in English 1000 GMT 22 Jan 94

[Text] A spokesman for the Vietnamese Foreign Ministry on Friday reasserted Vietnam sovereignty over the Spratly and the Paracel islands groups. He said both groups of islands come under Vietnam sovereignty because Vietnam was the first to discover them in the 17th century, and has been exercising its genuine ownership over them in a continuous and peaceful manner.

The Vietnamese spokesman was speaking in an interview to the army paper QUAN DOI NHAN DAN following remarks made last Friday by a Chinese Foreign Ministry spokesman who claimed Chinese sovereignty over these two islands groups while rejecting Vietnam's right over the land.

He said Vietnam has been trying to resolve the issue through peaceful means in keeping with international laws and with consistency, and will continue to do so in the future.

Reports on National Party Conference Continue

More of Political Report, Part One

BK2101144394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Jan 94

["Continuation of Part One" of the Communist Party of Vietnam Seventh Central Committee's political report delivered by General Secretary Do Muoi at the opening of the Mid-Term National Party Conference at the Ba Dinh Conference Hall in Hanoi on 20 January—read by announcer]

[Text] 3. The third achievement involves our diplomatic activities. Vietnam's relations with foreign countries have expanded and its prestige and position in the international arena has been enhanced. This creates a favorable international situation to build and defend the fatherland.

The seventh national party congress asserted Vietnam's foreign policy of firmly maintaining peace, expanding the relations of friendship and cooperation, creating favorable international conditions for the cause of national construction and defense, and positively contributing to the world people's common struggle for peace, national independence, democracy, and social progress.

The congress stressed Vietnam's broad-minded foreign policy of befriending all countries in the world and struggling for peace, independence, and progress. The party Central Committee's third plenum concretized and seriously implemented this policy against the background of new changes in the region and the world and following the seventh national party congress.

We positively expanded our diplomatic activities and scored very significant achievements. We restored normal relations with the People's Republic of China and developed the relations of friendship and cooperation with the country a further step. We strengthened and enhanced the special solidarity with the Lao People's Democratic Republic. We cosigned the Paris Accord on Cambodia. We struggled for its serious implementation, established friendly and neighborly relations with the Kingdom of Cambodia, and promoted and opened up a new stage of cooperation and friendship with ASEAN and its organizations. We also expanded relations with other countries in the Asia-Pacific Region, maintained and developed the existing relations of cooperation with the Russian Federation and states of the former Soviet Union, and East European countries. We preserved and developed our traditional relations with Cuba, India, and the DPRK; continued to support the legitimate causes of the Palestinian, Asian, and South African peoples; and expanded relations with developing countries in the Middle East, Africa, and Latin America. We positively contributed to the consolidation and development of the Nonaligned Movement's role in the new situation, and also improved relations with Western and Northern European countries, the EC, Japan, Canada, Australia, New Zealand, and a number of new industrial countries. We restored normal relations with international financial and monetary organizations, and made progress in the struggle for the lifting of the U.S. embargo and for normalizing relations with the United States.

II. Shortcomings and Newly Arising Problems

1. Our economy still depends on agriculture, which is still backward. Our industries are small, infrastructure is poorly developed, material-technical bases are very few, the accumulations attained from the internal economy are minimal, and investment and development are not great enough. Productivity and economic results are low, although our economic growth is acceptable. Our production capability, which is in the stage of developing for mobilization in the days ahead, is not up to par. This will affect adversely economic growth in the years to come. Our capability to curb inflation is not consistent, while the budget deficit continues. Budget overdrafts are high and foreign debt payments, which are due, are too immense to be settled because our annual export values are still minimal. Meanwhile, many sectors, localities, units, and leading and managerial cadres are not maintaining firmly their awareness in practicing thrift and diligence, thereby causing great losses to public property while lavish spending is prevalent.

It is necessary to say that our national and cooperative economies slowly have developed and strengthened. Our national economy has not satisfactorily assumed its active role in production and circulation. The state-run business sector missed good chances to develop many important domains and areas, and this allowed a group of private traders to exploit these opportunities and cause difficulties for both our producers and consumers. We have not completely overcome obstacles in the private economy. We have difficulties in production development and experience a lack of good management and guidance. Moreover, illegal trade is still prevalent.

We realize that our economic mechanism is at a nascent stage with many spontaneously arising factors; our state management capability is still low and optimally cannot develop the strength of the market economic mechanism nor contain its many negative sides. Our legal system is not complete while its implementation is not seriously carried out. Planning and activities for financial and banking sectors are still poor and are fraught with negative practices. The goods distribution system is irrational and it is carried out in an arbitrary fashion. The principle of distributing incomes in accordance with labor is not been strictly observed.

2. Cultural and Social Domains

Many great and urgent issues are still not resolved, although we scored some achievements in these domains. Unemployment, especially for youth of working age, is still the pressing issue and is one of the fundamental factors causing negative practices in our society.

Social policy is not implemented justly. Many people legally amass wealth, but many others get rich quickly through illegal business activities. At the same time, many families who rendered meritorious service to the nation, sacrificed lives, and suffered great loss during the wars are still facing great hardship. The number of poor and starving people still accounts for a significant part of the population. The people's lives in many areas—specially the highland, isolated, and ethnic-inhabited areas—are still destitute.

Education is inadequate in both quality and efficiency. Many issues relating to curriculum and training methods have not been defined to suit development requirements. Many schools are degrading seriously. Laboratory and scientific research equipment is scarce and outdated. Pedagogical schools and teachers provide poor training and education service, which is causing great public concern. Education management cadres at all levels hardly are given proper training. Individual education expenses are too high, which affects the education of children from poor families.

Funding for scientific and technological research is higher than before, but still too low to meet the demand. It is only about 1 percent of the total state budget. Therefore, it must be thinly spread to different areas. The result of this level of funding is limited returns. Measures and regulations have not been introduced to encourage economic enterprises to invest in this field.

Different scientific groups have not been formed. The organic [huwux cow] relationship among scientific research establishments, training institutions, and production units has not been established. The import of foreign technologies has been poorly managed and led to the import of outdated technologies and equipment at high prices. This causes long-term negative effects for the nation.

The situation relating to culture and arts is causing great concern. The lifestyle of running after money, unhealthy interests, bad customary habits, and superstitions is on the increase. Poisonous and dangerous cultural products are readily available in the market. Incorrect tendencies—such as the rejection of our revolution's achievements and our revolutionary culture and arts, the detachment of arts from the party's political line, the tendency to commercialize the arts, and the spread of bad foreign-influenced arts and debauched lifestyles—are appearing in creative, logical, and critical works. These mistakes and incorrect conceptions were mentioned by the fourth plenum of the seventh party Central Committee, but they slowly are improving. Guidance by party organs and the state management over the cultural and arts work is weak.

Our public health service is not meeting the minimum requirements of society. Grassroots health care is weak. Hospitals are ill- equipped and provide low standards of service and care. The increase in population is still higher than 2.2 percent. This high rate obstructs socioeconomic development, improvements to life, and affects the development of our race.

Despite many efforts to contain them, social vices tend to increase—especially drug addiction, gambling, prostitution, and robbery. Corruption and smuggling are prevalent, raising public indignation, and greatly affecting the people's confidence in the party and state.

3. The political situation is stable, but many complicated factors which must not be overlooked still exist. Many party and state organs have not been clean and strong. Political security is not really firm. Social order and safety are not safeguarded. The renovation line on party building has not been satisfactorily implemented. The party mechanism is heavy and bulky and its management method and work attitudes slowly are being renovated. The leadership quality and result of many party committees are still low. They even sidestep the party line in some places.

Cadre-related work is a weak chain. The cadre contingent, generally speaking, is not up to its duties or requirements. In many places, difficulties and embarrassment are experienced when able cadres are needed for appointment to key leading positions. There are not enough qualified cadres and leading specialists to take care of party work, state management, production and business, external economic relations, religion, ethnic communities, and women-related work.

The planning, training, fostering, and assigment of cadres are not performed well. Party committees are not giving proper attention to checking the observation of party regulations, lines, and policies. The reform of the state mechanism is slow and lacks efficiency. The evil practices of authoritarianism, oppression, vindictiveness, bureaucracy, and indiscipline are prevalent in many places.

The fatherland fronts and mass organizations are still facing difficulties in the contents of work and methods. The number of cadres working in mass organizations is not stable. They lack enthusiasm about their work and they are not given appropriate care, training, and benefits.

Confusion and lack of vigilance are still prevalent among our party cadres and people. They still have a low level of awareness regarding sabotage plots and activities by hostile forces, who always wish to scrap the party and socialism from our country. Some party cadres remain unconcerned in the face of wrong viewpoints or activities that are aimed at stirring up social disorder. Others have deviated seriously from the socialist path, or are even inclined to choose another path.

Our ideological and theoretical work is still slow, is not sharp enough, lacks militancy, and is not able to respond convincingly to newly emerging issues. Many party cadres, including core leaders, are still sluggish when it comes to self-education. They lack efforts to improve one's own character and understanding. Disunity among cadres at some party organizations is also very serious.

III. Generalizations

Despite the shortcomings we need to overcome, our past important achievements are creating favorable conditions for the country to advance gradually to a new development stage—the stage of industrialization and modernization for our country. These conditions consist of many elements of stature and trend, both material and spiritual, economic, politic, social, and cultural, and both domestic and overseas. The reality of past years allows us to assert that the lines and main policies of our party on renovation were correct; the steps taken appropriate. The resolutions of the sixth and seventh party congresses are being absorbed in the life of our people.

Reviewing reality of renovation brings up many useful lessons. It is necessary to determine that the first experiences learned through the renovation process and pointed out by the seventh party congress need to be developed and applied to our current reality. Those were the lessons of maintaining firmly the socialist path during the renovation process, combining the determination of the revolutionary principles and strategies with flexibility in policies and sensibility to the changes. There were also the lessons of the necessity to renovate comprehensively and harmoniously, and to apply appropriate steps, contents, and methodologies. Other lessons learned were to safeguard firmly the party leadership role and the state management role during the process of developing a multisector merchandise economy and socialist democracy as well as the need for timely exposure and handling problems, which arise during the renovation process. We also need to pay appropriate attention to the task of reviewing reality and continuously completing and perfecting the theories to build the socialist path of our country.

Renovation is a difficult process which is unprecedented, but we have been bravely searching, learning, and achieving important progress. The most basic, decisive factor was the determination of our party to retain its leadership position; to reject pluralism and a multiparty political system; to honor the spirit of independence, self-determination, and innovation; and to follow correct lines and policies, which are in good accordance with the rules and reality of Vietnam. Our party has also been able to develop the total strength of the great all-people solidarity block and expand international cooperation.

The seventh party congress outlined six characteristics for the socialist society our people are building. The congress also pointed out seven basic directions to make these characteristics a reality. This is the socialist direction that the conferences of the seventh Central Committee materialized into practical directives.

The building of the socialism, however, is still new to us. It requires from us massive energy to research, to study, and to discover. We will be able to figure out more clearly the socialist path for our country by continuously reviewing our work and studying ideological theory. We will also be able to figure out the concrete model for each domain of economy, politics, and social and cultural fields. We have to encourage innovation and development of Marxism-Leninism-Ho Chi Minh Thought, especially Leninist thoughts on a new economic policy and the state-managed capitalism. This will help invent new forms of transition and diversified intermediary steps which suit our concrete historical circumstances and which will help our country advance firmly on the socialist path.

Do Muoi Political Report, Part Two

BK2301140994 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Jan 94

["Part Two" of the Communist Party of Vietnam Seventh Central Committee's political report delivered by General Secretary Do Muoi at the opening of the Mid-Term National Party Conference at the Ba Dinh Conference Hall in Hanoi on 20 January—read by announcer]

[Text] Part Two: Essential tasks to be carried out in the period ahead.

Laying ahead of our people are major challenges and opportunities. These challenges are:

—The danger of being further left behind economically, compared with many countries in the region and the world due to the fact that we started from the lowest point, and that our growth rate is not high and steady enough, while having to struggle upward in a fiercely competitive environment.

—The danger of straying off the course of socialism if we fail to abide by implementation guidelines.

—The scourge of corruption and other social ills.

—Peaceful evolution-related schemes and actions of hostile forces.

Yet, we also enjoy many fundamental advantages:

—Our party has a correct policy line and it is united and single-minded.

—Our people are diligent, intelligent, and patriotic. They have good abilities and firm revolutionary willpower and believe in the party leadership.

—Our armed forces are absolutely loyal to the revolutionary cause of our party and people.

—The successes obtained in the renovation process are creating our new posture and strengths.

—The development of the scientific and technological revolution and the trend toward broadening world and regional ties of cooperation and development have brought to us opportunities to obtain more important resources.

The general targets set forth by the Seventh Party Congress for the period until 1995 will consist of overcoming difficulties and ordeals, stabilizing and developing socioeconomic activities, strengthening political stability, dispelling negativism and social injustices, and basically tiding the country over the current crisis.

Over the past two and a half years, we have achieved a significant part of that target, especially the economic ones. For the remaining years of our office, we must motivate the entire party, people, and army to be of the same heart and mind; to exert extraordinary efforts; to uphold a sense of independence, sovereignty, and self reliance; to broaden international relations; practice the motto of industry, thrift, integrity and righteousness; strive to exploit our advantages; dispel dangers; overcome ordeals; and successfully achieve the general targets cited above. We must quicken our pace to achieve the various aims of the strategy for socioeconomic stability and development until the year 2000, in a bid to build a powerful country, a prosperous people, and an equal and civilized society.

The following are essential tasks:

1. To press for changes in the economic structure in the direction of industrialization and modernization.

Socioeconomic improvements, together with the expansion and strengthening of development cooperation with various countries and international organizations, have allowed us to press ahead by another step our national industrialization and modernization to create more jobs, speed up the pace of economic growth, and further renovate the people's material and spiritual life. This is a central task of foremost importance for the period ahead.

Industrialization and modernization are the ways to avoid the danger of being further left behind, compared to nearby countries; to maintain political and social stability; to protect independence and sovereignty as well as the course of socialist development.

At present, we have not followed the old pattern of industrialization. We will not repeat the mistakes, hastiness, and subjectiveness that the Sixth Party Congress has criticized. Industrialization is in fact to build the material-technical bases of socialism. This is not a simple question of increasing the pace and proportion of industrial production in the economy. Rather, it is a process of structural changes linked with radical technological renovation to build a foundation for rapid growth and high and long- lasting efficiency for the entire national economy.

Industrialization must be accompanied by modernization and this requires the combination of gradual steps of industrial development with efforts to seize opportunities to shorten our process and to form spearheads of development to catch up with scientific and technological progress in the world.

The orientation, scale, and steps of the process of industrialization and modernization must be carefully thought out through a complete understanding of the following important points:

—The firm maintenance of independence and sovereignty must go along with the broadening of international cooperation, building an open-door economy both at home and abroad, multilateralizing and diversifying relations with other countries, combining economic activities with national defense and security, and linking economic growth with social progress and social justice, and with cultural development and environmental protection.

—Persisting on the strategy of directing vigorous efforts at exports while replacing imports that can be produced locally.

—Developing the comparative advantages of the entire country as well as each area, sector, and domain in a given period.

—Constantly improving the competitiveness in local, regional, and international markets.

—Taking socioeconomic results as a fundamental standard for determining the course of development and for selecting investment and technological projects.

—Rapidly exploiting the strengths of the entire country, of each region, and sector; appropriately gathering resources for the various fields of activity and various key areas to promptly produce high results while paying attention to meeting essential requirements, working out practical policies, systems, and measures for localities which have difficulties; stepping up development cooperation, and ensuring that various regions and strata of people can benefit from the results of economic growth.

—Attention must be paid to small- and medium-size projects that require small capital investments and capital that can be recovered quickly in accordance with the motto of using short-term projects to finance long-term ones.

—Building a number of necessary, large-scale projects.

—Making intensive capital investments to exploit to the fullest our productivity and our existing technologies with an emphasis on projects that affect product competitiveness.

—Combining traditional technologies with modern technologies, ensuring the advanced nature of imported equipment and technologies, giving priority to technologies that need small capital but which directly or indirectly create more jobs.

—From now until the end of this decade, great attention must be paid to agricultural industrialization and to the rural economy. We must carry out comprehensive agricultural, forestry, and fishery development in conjunction with efforts to develop processing industries for agricultural, forestry, and marine products and for consumer goods manufacturing and exports.

—Expanding trade, travel, and services in both urban and rural areas and stepping up other overseas economic activities.

—Renovating, expanding, upgrading, and selectively building infrastructure facilities in the most difficult areas where development is being hindered.

—Selectively building heavy industries establishments in important sectors where there are pressing requirements and in which we have conditions in terms of capital, technologies, and marketplace to achieve rapid development and high results.

—Developing scientific and technological studies and application, education and training, public health, and environmental protection to meet immediate and long-term development requirements.

While exploiting comparative advantages such as cheap labor, resources, and a convenient location, we must study and read regional and world development trends, the strategies and policies of trading partners and rival competitors, and attempt to discover new opportunities and comparative advantages. We must foster and develop to the fullest our most decisive resource, namely the Vietnamese population, for long-term development and to prepare the necessary conditions for development along this course.

To carry out industrialization and modernization, we must mobilize various sources of capital in conjunction with effective efforts to manage our capital, with the domestic source of capital being regarded as crucial and the foreign source of capital as important.

To ensure an average annual growth rate of not less than eight percent, we must promptly increase the total amount of investment to over 20 percent of the GDP within the next few years. This must be higher in the ensuing years along with efforts to improve the efficiency of capital management. This requires great efforts and appropriate policies to encourage the entire society to practice thrift in production and consumption and to concentrate on investing in production, especially in material production.

Concentrated investment earmarked from the state budget is decisive for the growth of the entire economy. It is necessary to increase the sources of investment capital in targeted projects by allocating a greater part of the GDP to the state budget and by attracting all sources of aid and low interest loans given by various governments and international financial and monetary organizations. We must audit, inspect, closely manage, distribute and effectively use our existing public assets, and must guard against losses and wasteful spending.

The state's capital investment is designed mainly for building the socioeconomic infrastructure and a number of key, spearhead industrial establishments, and processing industries for agricultural, forestry, and marine products, for the manufacture of export goods, and to cater to export services. Part of this investment must also be reserved for financing employment projects and projects to reforest wastelands and bare hills and expand aquaculture and deep sea fishing activities.

The state will only allocate invested capital to socioeconomic infrastructure projects and to areas where the capital is not likely to be recovered. As for the credit loans invested by the government, it must be returned by users.

We must renovate our managerial mechanism in capital construction to prevent negativism, waste, and misappropriation of state-owned capital, especially in planning activities. We must determine unit price in construction and must verify the results of the projects. We must use support services, verify product qualities, [words indistinct] of highly credible local and foreign companies in this area. Each project must have a supervisor. If it is a project where the capital must be recovered, then full amount must be recovered for the state and within schedule.

We must find all ways to be thrifty and to invest in development projects of the people and in various firms belonging to various economic components under various forms. This must be done in such a way as to ensure that the potentialities are mobilized and every cent invested will yield profit. We must gradually increase the proportion of this source of capital in the total capital investment of the entire society.

Continuation of Part Two

BK2401095194 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Jan 94

["Continuation of Part Two" of the Communist Party of Vietnam Seventh Central Committee's political report delivered by General Secretary Do Muoi at the opening of the Mid-Term National Party Conference at the Ba Dinh Conference Hall in Hanoi on 20 January—read by announcer]

[Text] We must strive to consistently implement the policy on developing the multisectoral economy and give various economic components and business establishments more headway to develop quickly and attain strong economic results. Efforts must be made to strengthen and improve state-run business establishments to help them effectively carry out their activities so as to take an active role in the economy. This is a very important and urgent task because it will help to encourage and support other economic sectors in their development while accelerating rapid and long-lasting economic growth. It is an apparatus with material strength that will help the state to regulate and lead the market economy to develop further in accordance with the socialist orientations.

It is necessary for us to be able to distinguish the nature of state ownership from that of state-run business. We must realize that assets and capital belonging to the state are used in various forms to ensure strong socioeconomic results and to enhance the state capability in accelerating and controlling economic activities. Investment in state-run business should include enterprises set up with a 100-percent state capital and those with the majority shares held by the state so as to allow the state to effectively control these establishments.

Efforts must be made to allocate land and forest areas to the people on a long-term basis, to give leases or provide concessions for exploiting mineral mines, to enter into joint business ventures, and to buy shares from enterprises of other sectors. We must integrate efforts to strengthen state-run business in various sectors, areas, and socioeconomic infrastructure projects; in the financial, banking, and insurance establishments; and in a number of key production and service units so as to help the national economy develop strongly. It is necessary to encourage other economic components to participate in these tasks in different forms and degrees.

In carrying out these tasks, we can reduce the number of inessential state-run business establishments while consolidating, expanding, and building new essential state-run enterprises. We must strive to strengthen and develop state-run business in agriculture, forestry, and fishery in the direction of joining and cooperating with other business branches to build industrial and service centers—especially for the processing industry—scientific-technological centers, and cultural and social centers in localities throughout the country.

We must strive to strengthen and improve the state-run trade system, to firmly control the export-import business and trading of essential materials, to regulate the wholesale and retail trades, and together with other sectors to stabilize and develop the local markets. Efforts must be made to ensure a smooth transportation of goods, to serve and accelerate production development, to protect the interest of producers and consumers, and to make fundamental changes in the organization and management mechanism of state-run business in order to ensure the autonomous operation of business establishments in the market economic system while ensuring effective control by the state.

The fundamental factors leading to ineffective operations, negative practices, and waste at many state-run business establishments are due to the fact that we do not have certain people who act as direct owners of state assets and who take responsibility for and protect the interests of state properties. We have no attractive and firm motives to encourage personnel and workers at various state-run enterprises to devote their energies to the development of their establishments. We still lack the material and organizational strength to decisively define various working methods of curbing corruption and acts which cause losses to public properties. We must find ways of overcoming these shortcomings.

To attract more capital, create a driving force to curb negativism, and accelerate the profitability of state-run business, we must introduce various forms of shareholding enterprises in line with our production and business system, and with the majority shares held by the state. We must step by step apply the method of selling shares to personnel and workers who work at enterprises. Efforts must be made to distribute profits to personnel and workers, based on their base salary and the numbers of their shares. We should conduct a pilot project to sell a number of shares of state-run business establishments to private organizations and individuals.

On the introduction of a share holding enterprise system, we will stipulate the organization of management boards comprising representatives of state shareholders, workers shareholders, and other shareholders. Regulations and selection criteria to help management boards select managing directors should be set up. Work contracts in various forms with workers should be applied in a widespread manner and be perfected continuously within state enterprises. The state will support and encourage the implementation, in accordance with the development needs of the economy, and renovation of enterprise unions and general corporations into the organization of business conglomerates, thus avoiding intermediary administrative authorities. The system of managing ministries, managing administration authorities, and the distinction between centrally-managed enterprises and locally- managed enterprises will be gradually discarded.

State authorities at all levels and sectors should take care of and assist state enterprises in their businesses, especially in matters relating to capital, technology, marketing, and cadre training and deployment. For enterprises which serve socioeconomic public benefits which suffer low income or loss, the state will have a reasonable relief policy which discourages reliability. The state will have clear regulations on the state's inspection authority and stop the inspection and control work in an ad hoc style which is inconvenient to the businesses. For state enterprises doing business in non-essential areas who suffer extended losses and lack the capacity to overcome these losses, the resolute measures pointed out at the second plenum of the seventh Central Committee should be applied.

We will continue to renovate the economic establishment of cooperatives and develop the independent role of cooperative members. The state supports, assists, and guides the development of all cooperative economic establishments in various economic sectors on a voluntary and mutually beneficial basis. Management of the cooperatives should be democratic and encourage combining the strength of the cooperative with the strength of each household member.

The renovation of cooperatives and other cooperative economic establishments should be carried out in all sectors of agriculture, forestry, and fishery in accordance with the resolutions of the seventh Central Committee's fifth plenum. Strict measures will be applied in handling the sluggish cooperatives and experimental renovation in all forms of cooperative economic establishments in handicrafts, financial credit, trading, and service and should be continued. Cooperatives can function on a larger scale, performing various branches of business and are not restricted within any administrative boundaries. Besides the capital contributed by members and the assets of the cooperatives, capital and labor from outsiders should be motivated. Members of cooperatives receive incomes which are subjected to contributed labor and shares. Cooperatives can exercise any of the various levels of collectivity of production supplies in accordance with business necessity, aspirations, and benefit of the members.

The individual and small business economic sector, which comprises mostly family business establishments, is speedily growing and possesses tremendous potential to become an important element of the economy. We must have a policy to help this sector in terms of capital, technology, market information, and so forth in order to help their businesses become effective, thus creating more employment and more opportunities for individuals to contribute to the national construction. We must also guide and encourage individual business establishments to gradually join cooperative economic establishments on a voluntary basis.

The private capital economic sector, both overseas and domestic, is growing fast and contributing positively to the national construction. The state continues to encourage private capital economic activities in sectors and areas allowed by law. The state also protects legal rights and benefits of private businessmen, joins development and investment funds with these businessmen on the basis of consensus, and encourages them to sell prioritized shares to their workers. The state helps and guides them to overcome difficulties and do business in accordance with state laws and regulations. Concrete regulations will be promulgated to stipulate the state management role towards business establishments with capital invested directly by outsiders.

In combination with inspection and control functions of the state, we need to develop the grassroots organizations of the party, trade unions, and politico-social mass organizations within the private business enterprises and joint business enterprises either domestically or with overseas partners. These grassroots organizations will contribute to productivity, protect legal benefits of workers, and prevent illegal deeds. We should create conditions and a legal environment for lawful competition activities and for developing collective businesses on a voluntary and mutually beneficial basis, regardless of the disparity between these businesses in a sector or locality.

Using the major state enterprises as the bases, we will form business corporations with a significant ability to compete in the domestic as well as international markets.

Delegates Discuss Do Muoi Report

BK2201100694 Hanoi VNA in English 0544 GMT 22 Jan 94

[Text] Hanoi VNA Jan. 22. —Delegates at the mid-term conference of the Communist Party of Vietnam (CPV) on Jan. 20 and 21 discussed the political report delivered by Party General Secretary Do Muoi.

The delegates focused on analyzing the all-sided achievements recorded over the past two years and a half and the most important, urgent issues in order to implement the resolutions of the seventh party congress.

They also analyzed opportunities and challenges, advantages and disadvantages at home and in international relations the party and the entire people are facing, thus defining premises for gradually introducing the country into a new stage of development, that of industrialization and modernization. The delegates paid great attention to the goals and concrete steps to be taken, especially measures and capacity to mobilize resources for the construction of socio-economic infrastructure to meet both long-oerm and short-term demands.

Many delegates showed their attention to the role of state management in the market economy, and methods for managing state-run businesses to ensure their leading position in key branches of the national economy.

Social and cultural issues were enthusiastically discussed. The anti-corruption and smuggling work was also analyzed and criticized seriously. Debates also concentrated on how to train purify and develop the contingent of the party members to meet the demand of the party leadership in the current process of innovation.

Today, the delegates will continue their discussion of the political report.

Report on 22 Jan Session

BK2201122994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Jan 94

[Text] Dear friends: Today, 22 January, the delegates of the Mid-Term National Party Conference [MNPC] continued their debate on the seventh party Central Committee political report at the conference hall.

The conference listened to 19 opinions expressed by delegates of different sectors, localities, and the armed forces. The opinions were almost totally in agreement with the political report on the achievements scored in the last two years, the four challenging dangers, and the main duties in the coming period.

Most of the opinions concentrated on the analysis of the four challenging dangers. They emphasized the possibility that our country might be left behind at a great distance by regional and other countries. They said that economic lagging also has political meaning because it is the manifestation of a backward general policy and not a practical economic policy.

Regarding the danger of peaceful evolution against socialism from enemies, the delegates held that it is not only an external danger but an internal danger as well. The reality of the situation is that many reactionary groups have returned from foreign countries to oppose and sabotage our country. This danger, if we are not vigilant, it will become a reality.

With respect to corruption, the opinions held that corruption is not only practiced by a few people, but it resembles an organization which operates from a system existing in state organs. Corruption it not only tied to a conception of morality, it also carries political meaning. Therefore, in order to stop this danger, uniform measures must be applied. The first of these measures is the education of cadres and party members. In the implementation of a market mechanism and door-open policy to the outside world, we need to further strengthen the consolidation of our armed forces and the maintenance of social security and order.

Through analysis, most of the delegates held that the basic nature of these four dangers is the class struggle and who will triumph over whom.

As for future duties, the delegates discussed the definitions of the terms of transferring economic structures and developing industry with regard to the modernization of the national economy. They said the transfer of economic structures creates great values for key leading industries on the basis of exploiting national potential and intelligence. Therefore, we must continue to pay attention to economic development and investment for mountainous and Central Highland areas. In industrial development, we have to strengthen processing industries and improve tree planting structures in agricultural areas. By doing so, these areas can provide raw materials for different industrial sectors. We must increase our exports and encourage the use of our locally made products.

Tomorrow, 23 January, the MNPC delegates will continue to work at the conference hall.

Report on 23 Jan Proceedings

BK2301140094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Jan 94

[Text] Today, 23 January, the delegates to the Mid-Term National Party Conference continued to work in the conference hall. Altogether, 19 delegates contributed their views to the party Central Committee's political report.

During today's animated and serious debates, the delegates pointed out the important success of the renovation undertaking two years following the seventh party congress. The socioeconomic achievements, which we scored at a time when the socialist camp has ceased to exist and the former Soviet Union has collapsed further, testify to our party's clearsighted leadership and to the correctness of the application of Marxism-Leninism and Ho Chi Minh thought to the specific conditions in Vietnam. The evaluation results of the political report are accurate and modest.

Regarding the four menacing dangers, most of the views held that they are interrelated. They felt no single danger should be considered the most serious one, and that all dangers must be traced back to objective and subjective causes. We must take precautions against them as a result. Some opinions, however, maintained that one should not call these as dangers, but rather basic challenges which could obstruct our renovation policy and national construction and defense efforts. These dangers will exert a more adverse impact on us if we are not strong enough.

Regarding the key tasks for the days ahead, the delegates attached much importance to the need to improve our economic infrastructure, build more industrial bases, and carry out the industrialization program step by step to benefit key areas of the country. Priority investment in mountain regions and areas where difficulties abound is necessary. It is important to pay due attention to nationalities-related issues and formulate economic development policies to benefit mountain, border, and island areas. The delegates discussed mass mobilization and party building work and maintained that our party has attached importance to mass mobilization work since the seventh party congress. Progress has been made in this domain. This is an important cause leading to recent achievements. Our party should pay attention to training for cadres in charge of mass mobilization work and formulate appropriate policies for cadres in order to develop mass mobilization work a step further.

Regarding party-building work, the delegates maintained that our party is large in size but is not as strong as it should be. For the party to be strong enough to direct the entire people in national construction, measures must be taken to consolidate grass- roots party organizations, especially party chapters at villages and city wards. More vigorous efforts are needed to purify grass-roots party organizations. Deviant and degenerate party members definitely must be expelled from the party. On the anti-corruption front, it is necessary to clarify corruption cases involving party cadres and members as well as take appropriate action against them. It is important to consider the possibility of making influential cadres declare their assets.

Regarding culture and art, many delegates also stressed the need for the party to look after the well-being of cadres in charge of artistic activities and talented artists of both sexes so they all can have a sense of security while engaging in creative work to serve the people. It is necessary to work out an appropriate pay scale and a long-term training program.

Tomorrow, 24 January, the delegates to the Mid-Term National Party Conference will continue to work in groups.

'Sharp Debate' Reported

BK2401084294 Hong Kong AFP in English 0840 GMT 24 Jan 94

[Text] Hanoi, Jan 24 (AFP)—A conference of Vietnam's ruling communist party, which started last week, has revealed divisions among its delegates on the country's economic reforms, the party daily Nhan Dan reported Monday.

Most of the 647 delegates expressed their support for the results of the policy of "doi moi", or renovation, that was launched in 1986, but there was sharp debate on how to assess future problems and how to resolve them, it said.

The delegates wind up their meeting in Hanoi on Tuesday.

Debate, which began Thursday, has focussed in particular on "the importance of ideological work and the pursuit of the communist party's renovation," as well as "more energetic" action against corruption, it said.

They also discussed steps aimed at speeding up share-ownership of public enterprises, agricultural development and the state's policy towards rural dwellers, who make up 80 percent of the population.

"It is time for Vietnam to enter a new period of development towards industrialisation and modernisation," the delegates said, according to the newspaper report.

The six-day mini-congress will also see the delegates elect about 15 alternate members to the central committee, and replace a number of figures who have died, become senile or are in disgrace.

The party's politburo last week added four members, including Foreign Minister Nguyen Manh Cam, a general and a vice president to national assembly, a move that could herald major changes in the political line-up in the next party congress, in 1996.

Australia

Acting Foreign Minister Notes Secret DPRK Talks

OW2101133094 Tokyo KYODO in English 0815 GMT 20 Jan 94

[Text] Sydney, Jan. 20 KYODO—The North Korean Government wants to restore diplomatic relations with Australia which would end a 19-year-old severance of ties, acting Foreign Affairs Minister Gordan Bilney confirmed Thursday [20 January].

North Korean and senior Australian officials have held secret talks at Australian Embassies in Jakarta and Bangkok, and the federal government has informed the United States, Japan and South Korea.

"But those talks have really essentially been about whether we should talk," Bilney said.

No decisions have been made about formal dialogue, which would be contingent upon three conditions, the Department of Foreign Affairs said in a statement.

Satisfactory progress must be made in the implementation of International Atomic Energy Agency [IAEA] safeguards and Australia "strongly supports" the U.S. negotiating stance on the nuclear issue, the statement said.

Australia would never play a "solo role" in putting relations with Korea at a normal footing and so progress would also be necessary in North Korea's relations with South Korea and the United States, it said.

Australia would also respect a call from North Korea's three adversaries not to reestablish ties.

Restoring ties relies strongly on whether North Korea will comply with U.S. pressure to allow international inspectors into its nuclear facilities.

Australia reportedly wants North Korea to rejoin the world community's economic and political affairs and would therefore be sympathetic to Pyongyang's reported proposal.

"North Korea...is an isolated country, and one can only speculate that perhaps it's feeling that isolation more now," Bilney said.

The Australian Government has considered inviting a senior North Korean Government official to visit Australia later in the year to initiate a stronger dialogue between the two countries.

While the step was entirely unsolicited, there were a number of possible reasons why Australia was approached, including the close relations with North Korea's main adversaries, the U.S., Japan and South Korea, the statement said.

Other reasons could include the fact that Australia currently chairs the IAEA Board of Governors and maintains a strong non-proliferation stance on nuclear weapons, the department said, adding that there have been sporadic contacts between Australia and North Korea in recent years.

Relations between Australia and North Korea were severed in 1975 when the militant Communist government reacted to Australia's backing of South Korea in the United Nations by abandoning its embassy in Canberra and expelling Australian diplomats from Pyongyang.

'Conditions' for Ties Outlined

BK2001063494 Melbourne Radio Australia in English 0500 GMT 20 Jan 94

[Text] Acting Australian foreign affairs minister Gordon Bilney has confirmed North Korea has approached Australia about resuming normal diplomatic ties. Mr. Bilney says informal talks have been held recently in Southeast Asian capitals. Mr. Bilney says Australia has some requirements that must be met before relations can be resumed.

[Begin Bilney recording] There are a number of conditions which the North Koreans would have to meet before we move any further along this track, including, explicitly, adherence to IAEA [International Atomic Energy Agency] safeguards with (?at the moment) of course the chairman of the IAEA board of governors, a resolution of the political [word indistinct] talks with the South Koreans, and progress in its relations with the United States. Those are three things. We are not acting alone. We are not going solo on any particular initiative with this and the DPRK. [end recording]

Officials Confirm DPRK Approach

BK2001025894 Melbourne Radio Australia in English 0100 GMT 20 Jan 94

[Text] North Korea's hardline communist regime is attempting to break the diplomatic ice with Australia, making an approach for the reestablishment of diplomatic links severed nearly 20 years ago.

Australia is encouraged by the approach, but it is insisting there be firm progress on the nuclear issue before ties could be resumed. Linda Mottram reports from Canberra:

[Begin Mottram recording] Australian officials have confirmed a report in the national newspaper THE AUSTRALIAN about the approach made in recent weeks by a senior North Korean diplomat to the Australian Embassy in Bangkok. An Australian Government spokesperson says Australian diplomats have returned the sounding-out. The spokesperson said the approach is being seen as encouraging, but says Pyongyang has been told any further development depends on North Korea allowing full international inspection of its nuclear facilities where nuclear weapons development is feared, and on progress in talks between North and South Korea and North Korea and the United States.

The spokesperson described the situation as talks about talks and very, very preliminary. Australia has informed South Korea of the approach which appeared to have been made to Australia only. [end recording]

Industry Minister Resigns Pending Police Inquiry

BK2201114894 Melbourne Radio Australia in English 1100 GMT 22 Jan 94

[Text] Australia's Federal Industry, Technology, and Regional Development Minister Alan Griffiths has resigned from cabinet pending a police inquiry into possible misuse of Labor Party's money. Michael Roland reports that Mr. Griffiths has told the prime minister, Paul Keating, he is confident his name will be cleared but it is best that he stands aside while the investigation is carried out.

In a statement issued late this afternoon, the prime minister says Mr. Griffiths has informed him he has serious concern about possible misuse of funds he received for party's political purposes. According to Mr. Keating, Mr. Griffiths has also expressed concern about the possible misuse of facilities in his Melbourne electorate office as well as irregularities in documentation relating to electoral fund-raising and expenditure.

The federal police have been asked to investigate. There will also be an independent inquiry into the matters raised. In the meantime, the industry minister has told Mr. Keating, it is in the best interest of the government and the ALP [Australian Labor Party] for him to resign so the matter can be fully investigated. Mr. Griffiths has told the prime minister he is confident of being found not guilty of any wrongdoing or impropriety and he intends recontesting his position once the inquiries are over. Mr. Griffiths entered the ministry in 1990 and was promoted to the industry portfolio after last year's federal election.

Government Provides Emergency Aid to Kenya

BK2201131194 Melbourne Radio Australia in English 1330 GMT 22 Jan 94

[Text] Australia is providing A$1 million for emergency relief in Kenya. The aid is to help counter the effects of conflict and drought which have left an estimated one and a half million people in urgent need of assistance. Kenya also has around 400,000 refugees forced to flee from conflict and instability in Sudan, Somalia, and Ethiopia.

Australia's Development Cooperation Minister Gordon Bilney says the aid will go towards a supplementary feeding program aimed at reducing malnutrition in women and children. Funds will also be spent on blood testing kits to screen for the AIDS virus, HIV, while further assistance will go to drought rehabilitation, specially, in Kenya's northwest.

Fiji

Parliament Dismissed; Elections Slated 18-25 Feb

BK2001094694 Hong Kong AFP in English 0935 GMT 20 Jan 94

[Text] Suva, Jan 20 (AFP)—Fijian President Ratu Sir Kamisese Mara has officially dismissed parliament and announced national elections to be held from February 18 to 25.

"The president has advised the prime minister, the honourable Major General (Sitiveni) Rabuka, of his decision," a government statement said Wednesday.

Rabuka called for the dissolution of parliament when his budget was defeated November 29 by seven dissident members of government who voted against it in the House of Representatives.

Dominance of the ruling Fijian Political Party has been challenged by a breakaway party, the Fijian Association, which is led by former deputy prime minister Josevata Kamikamica.

Fiji's 1990 constitution gives indigenous Fijians the right to hold the premiership and a guaranteed 37 seats in the 70-seat lower house.

Indian Fijians have 27 seats, other races have five and the Polynesian island of Rotuma has one.

Polling is spread over a week to allow for voting in outlying Fijian islands.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.